Austria	Sch 15	Indonesia	Rp 1600	Philippines	Pes 20
Bahrain	Din 0.650	Italy	L 1100	Portugal	Esc 65
Belgium	BFr.35	Japan	Y550	S. Arabia	Rls 6.00
Canada	C$2.50	Jordan	Fils 500	Singapore	S$ 4.10
Denmark	Dkr.7.00	Kuwait	Fils.500	Spain	Pta 95
Egypt	E£1.00	Lebanon	£L 6.00	Sweden	Skr 6.50
Finland	Fmk 5.00	Luxembourg	LFr.35	Switzerland	SwFr 2
France	FFr. 6.00	Malaysia	Rm 4.25	Tunisia	Din 0.600
Germany	DM 2.00	Morocco	Dh 6.00	Turkey	L 130
Greece	Dr 55	Netherlands	Fl 2.25	U.A.E.	Dh 6.50
India	Rup. 15	Norway	Nkr. 6.00	U.S.A.	$1.50

FINANCIAL TIMES

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INTERNATIONAL MARKETS: Section III

NEWS SUMMARY

GENERAL

Italian wage pact talks near deadline

Italian unions and employers were last night meeting at the Ministry of Labour in an eleventh-hour bid to reach agreement on reducing labour costs and on the *scala mobile* wage indexation system.

There appeared no chance of an agreement being reached by the midnight deadline set by the Government last month. But Labour Minister Vincenzo Scotti said if one looked likely he would "stop the clock" to let the negotiations continue. Page 3

Egypt accused

Israel accused Egypt of violating their peace agreement when Egyptian tractors crossed into the demilitarised zone at Taba in Sinai. Page 5

Soviet warning

The Soviet Union has threatened to stop negotiations on long-range nuclear weapons if the U.S. goes ahead with deploying medium-range missiles in Europe, the Washington Post reported.

Paris bombing

A bomb exploded at the Defence Ministry publications offices in Paris, injuring a passer-by. An anarchist group claimed responsibility.

Walesa appeal

Lech Walesa and 13 Solidarity officials appealed to the Polish parliament for the release of seven colleagues.

Milan arrests

Police in Milan said they had arrested five suspected members of the Red Brigades and that other arrests were expected soon.

Belgian alert

Belgian officials are moving into a radiation-proof fort to coordinate emergency services in case the Soviet satellite Cosmos 1402 crashes in Belgium.

Falcon crashes

A U.S. F-16 Falcon jet assigned to the Hahn airbase in West Germany crashed 11 miles from Stuttgart. The pilot ejected safely.

Freight sinks

Fifteen crew died and five were missing after a Polish cargo vessel sank off the Spanish island of Ibiza.

Snow hits U.S.

Eighteen inches of snow fell in parts of Southwest U.S. while some Northern cities suffered record sub-zero temperatures.

Air fare war

Air Canada launched a fare war with cuts of up to 75 per cent on many economy class fares within Canada and to the U.S.

Japanese war row

Japanese opposition parties charged that Prime Minister Yasuhiro Nakasone was engaged in a "dangerous plot" with U.S. President Ronald Reagan to drive the Japanese to war again. Page 5

Briefly...

The Netherlands says it is ready to open contact with the Palestine Liberation Organisation.

Sri-Lanka's three-month old nationwide state of emergency lapsed.

Nissan is to sell a car that can be driven by people unable to use their arms.

West German Chancellor Helmut Kohl is to visit Britain in February.

BUSINESS

German boost to bank liquidity

● THE BUNDESBANK, the West German central bank, yesterday took steps to ease its monetary policy by adding DM 4.5bn ($1.86bn) of permanent liquidity to the banking system. But it disappointed the financial markets by not lowering its Lombard or discount rates. Page 3

● GOLD was down $4.50 to $492.50 on the London bullion market yesterday. In Frankfurt it fell $6.25 to $489.25 and in Zurich by $5.00 to $491.50. Page 27

● DOLLAR showed further gains in the absence of any reduction in the U.S. discount rate. It finished below its best levels however as funds switched back into D-Marks following the Bundesbank's decision not to cut its rate. In London it closed at DM 2.4230 (from DM 2.4125), FFr 6.87 (FFr 6.8425), SwFr 1.9775 (SwFr 1.9740) and Y235.25 (Y232.65). Its Bank of England trade-weighted index rose 0.3 to 119.4. Page 32

THE international edition of the Financial Times has introduced a new regular section, covering world markets. The front page of Section III features expanded reports on major stock exchanges and domestic bond trading, together with a table of key monitors to provide an at-a-glance guide to the day's market movements detailed inside. The FT's comprehensive capital markets review will continue to appear on Mondays.

● STERLING fell a further 45 points against the dollar to close at $1.57, equalling its lowest ever closing in 1976. It also slipped to SwFr 3.1050 (from 3.11) but rose DM 3.8075 (DM 3.80) and FFr 10.785 (FFr 10.7755). It was unchanged against the yen at Y 369.5. Its trade-weighted index rose 0.1 to 82.4. Page 32

● LONDON: FT Industrial Ordinary index gained 3.2 points to 624.8. Government Securities showed gains of a little over a quarter of 1 per cent. Page 25

● WALL STREET: Dow Jones index closed 2.76 up at 1,070.82 Pages 25, 26

● TOKYO: Nikkei Dow index fell 45.37 to 7923.31. Stock exchange index slipped 2.72 to 581.84. Pages 25, 26

● HONG KONG: Hang Seng index gained 2.02 to 908.56. Pages 25, 26

● AUSTRALIAN all shares index fell 2.1 to 536.2. Pages 25, 26

● FRANKFURT: Commerzbank index lost 1.9 to 738.0. Pages 25, 26

● EEC statistics revealed signs of upturn in France and West Germany amid a 1.5 per cent fall in Community industrial output for 1982.

● SPANISH shipbuilders reported a 60.9 per cent drop in orders and warned of short-term collapse. Page 6; Feature Page 13

● BRITISH Industry Secretary Patrick Jenkin warned of a protectionist war unless Japan's trade surplus with Europe was corrected. An adviser to West German company Grundig said Japanese Prime Minister Yasuhiro Nakasone's moves to open Japan to imports were negligible, Japanese exports to west were the real issue.

COMPANIES

● BRITISH SHIPBUILDERS announced over 2,000 redundancies by the end of March and warned of further possible cuts before the end of the year. Page 7

● ALCOA and ALCAN, the North American aluminium producers, reported losses of $33.66m and $60m respectively for 1982. Page 15

● AIR FRANCE reported losses of FFr 820m ($120m) for 1982 and is counting on a tripling of government support. Page 15

Reagan may seek 'consumption tax' as part of reform

BY ANATOLE KALETSKY IN WASHINGTON

President Ronald Reagan will propose sweeping long-range reforms for the U.S. tax system in his State of the Union message next week, in addition to shorter-term measures directed specifically at narrowing the next few years' budget deficits.

Mr Martin Feldstein, Chairman of the Council of Economic Advisers, said in a speech on Wednesday night that a generalised consumption tax – which could eventually replace income tax entirely – is one of the main options being considered.

Such a consumption tax, which has been advocated by leading economic theorists in Europe as well as the U.S., would differ radically from existing taxes on sales and value added.

Because it would be levied on individuals, rather than on the retail business where people spend their money, a generalised consumption tax could be designed to maintain one of the main political features of income tax, which increases in line with income. The rich, who spend more of their money annually than the poor, could still be made to pay higher tax rates in proportion to their higher consumption, as they do now on their incomes.

Although Mr Feldstein said that "final decisions have not been made" on the proposal for a consumption tax, he did outline the structure being considered. "Each individual would add up all his cash receipts for the year and then subtract all of his savings, including additions to bank accounts, purchases of stocks and other assets and repayments of loans."

This difference, which would be equal to the individual's total consumption for the year, would then be subject to the new tax.

The new structure would obviously encourage saving and capital formation, since any income set aside and not consumed would be exempted from tax.

Another, less radical, tax reform being considered by the Reagan Administration is the so-called "flat rate" income tax. In its purest form, this would mean abolishing all special tax allowances and imposing a single tax rate probably between 15 and 20 per cent, on all incomes.

This extreme proposal would mean a marked shift in the tax burden onto people with lower incomes and would almost certainly be politically unacceptable.

But a variant of the same principle would preserve some gradation in the tax rates – marginal rates would rise from almost nothing on very low incomes to a maximum of 23 per cent under one proposal. The revenues lost by reducing the top margin tax rates (which are at present 50 per cent) would be recovered by abolishing all special tax allowances and loopholes.

Because of the variety of exemptions available to U.S. taxpayers, particularly those with high incomes, many economists believe that such a "modified flat rate" system would actually mean that the rich would pay a higher proportion of the country's taxes than they do today.

Administration officials who have confirmed that the President is actively considering these proposals stress, however, that they are being viewed as long-range structural improvements to the U.S. economy, rather than immediate solutions to the present budget problem.

U.S. warns Argentina on 'military adventures'

BY OUR U.S. EDITOR IN WASHINGTON

THE REAGAN Administration has privately warned Argentina that it will have no sympathy or support from Washington if it indulges in fresh military adventures in the South Atlantic, Diplomatic sources said in Washington yesterday.

Officials said that the U.S. position was conveyed "emphatically" to Buenos Aires through diplomatic channels, after recent public repetitions of the Administration's view that the Falklands problem must be resolved through peaceful negotiations.

The U.S. move came amid continuing reports of increased Argentine military activity, possibly aimed at harassing the British garrison on the islands.

CBS news yesterday quoted U.S. intelligence officials as saying that Argentina was establishing military bases in Antarctica in an apparent attempt "to gain a southern attack route against the Falklands."

The network said that an Argentine military presence in Antarctica, 800 miles south of the islands, would "complicate the job" of the British defence forces, and suggested that Argentine fighter-bombers could reach targets on the Falklands from Antarctica if they were refuelled in mid-air.

Washington officials, however, said that while Argentine naval activity appeared to have been stepped up in the Antarctic area, there was as yet no evidence that the Buenos Aires Government, or the leaders of the country's armed forces, had got beyond "contemplating" establishing land bases.

The Argentine Government has discounted reports of impending commando raids against the islands, suggesting that they were intended for British domestic consumption. It is also pointed out here that international treaties stipulate that Antarctica should be used for peaceful purposes only.

It was also pointed out, however, that there were a number of small British research stations in the UK's section of Antarctica, and that British territory and citizens would have to be protected in the event of any real threat from Argentina.

Washington officials tend to believe that the Buenos Aires Government would not wish to compromise its attempts to establish a "peaceful" international image on the Falklands. Some of them fear, however, that the armed forces, and particularly the navy, might be tempted into independent action.

● **Bridget Bloom, Defence Correspondent, adds:** UK Ministry of Defence officials yesterday discounted suggestions that Argentina had set up military bases in Antarctica. They noted that military activity was strictly prohibited by the Antarctic Agreement, to which Britain and Argentina are both party (and have both respected so far).

They added that Antarctic bases would give Argentina no more advantage in military action against the Falklands than would existing mainland Argentine bases.

The Ministry re-emphasised yesterday that the 4,000-strong garrison remained on the alert against the possibility of harassment from, or even the very unlikely possibility of re-invasion by, Argentine forces.

Chile's two big groups suspend debt payments of 12 companies

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT, IN LONDON

CHILE'S two largest industrial conglomerates, the BHC group and the Cruzat-Larrain group, have announced that 12 of their subsidiaries are unable to meet payments due on bank loans and bonds. The shares of the 12 companies have been suspended on the Santiago stock exchange until February 1.

The debts of the companies at November 30 were put at $1bn, according to the office of the superintendent of the stock exchange, an official of the Finance Ministry.

The suspended companies are: Industrias Coia, Forestal, Aceites y Alcoholes Patria, CPI Compañia Tecno Industrial, Compañias, Industrial, Hoteles del Sol Viña del Mar, Inversiones San Patricio, Inversiones Valle Central, Inversiones Las Nieves, Sociedad de Inversiones José Miguel Carrera, Inversiones Huelén and Compañia Cervecerías Unidaso.

The latter company is the country's largest brewer, while six of the companies are involved in real estate and hotel development. The interests of the rest include timber and pulp, and industrial alcohol production.

The two conglomerates were part-owners of three of the five Chilean banks which were placed under government management last week. The Government's take-over of the banks appears to have resulted in a halting of new advances to the 12 companies, which were not thought to be viable by the Government's nominees.

The Cruzat-Larrain and BHC groups were built up by Sr Manuel Cruzat and Sir Javier Vial, two financial entrepreneurs who came to prominence under the Pinochet government, which came to power after the military coup of September 1973.

Like many other Chilean entrepreneurs, they were encouraged to seek dollar loans in the late 1970s and the early 1980s when the government kept the peso pegged at a fixed exchange rate against the dollar. Many observers felt this policy left the peso greatly overvalued.

A succession of major devaluations last year, combined with a severe contraction of the economy, created difficulties for those who had loans denominated in dollars and income in pesos.

There also was much speculation in Santiago last night about the fate of Chilean mutual funds, which have attracted the savings of some 140,000 Chilean small savers.

British budget set for March 15

By Max Wilkinson in London

SIR GEOFFREY HOWE, the British Chancellor of the Exchequer, will present his budget on Tuesday March 15, the Government announced yesterday, amid gathering gloom about the prospects for economic recovery in the UK and in the world at large.

But Sir Geoffrey is unlikely to respond to the gloomy signs with any major reflationary measures.

Instead, he is likely to believe that the scope for tax-cutting has been shortened. This is because lower levels of activity will tend to reduce Government revenue and to increase expenditures on unemployment and other benefits.

The weakening of oil revenues will also tend to depress Government revenues, although the associated depreciation of sterling since November will raise the sterling value of oil taxes.

The fall in the value of sterling will more generally be seen as a constraint on the Chancellor's options, since it will tend to slacken "monetary conditions" in the economy.

The Chancellor may consider that industry has already received considerable help from the fall in the exchange rate – at the price of a somewhat higher rate of price inflation later in the year. This may incline him more towards cutting income tax allowances, or the real value of excise duties, rather than making a further cut in the employers' National Insurance Surcharge.

The overall scope for tax cuts appears now to have shrunk somewhat from the £2bn ($3.1bn) which it was widely thought would be available, if public sector borrowing were held at £8bn in 1983-84.

In November, the Treasury's Autumn Statement forecast that there would be scope for £1bn "fiscal adjustment" for a PSBR of £1bn. The Chancellor has given strong indication that he does not intend a major relaxation of the borrowing target, although some adjustment is possible.

All the indications at present are therefore that the total tax reductions will be around £1.5bn, with £2bn as a top figure.

Last November, the Treasury was hoping that the long-delayed economic revival would start to become evident this spring, but there are few signs of improvement on the present economic horizon.

Recovery slackens, Page 8

New bid to sell Europe on zero option

BY REGINALD DALE IN WASHINGTON

PRESIDENT Ronald Reagan has ordered stepped up efforts to persuade West Europeans that his nuclear arms control policies are both valid and well-intentioned, in the face of the recent series of "peace initiatives" by the Soviet Union.

Mr Reagan's new public relations drive was decided after Mr George Shultz, the Secretary of State, told him that U.S. policies had been misunderstood and poorly managed in the countries that are supposed to deploy 572 of new intermediate-range nuclear missiles under a 1979 Nato agreement – the UK, West Germany, Italy, Belgium and the Netherlands.

Acknowledging a problem in "public diplomacy," Mr Reagan has asked Mr William Clark, his National Security Adviser, to chair a cabinet-level committee to promote American diplomatic, military and arms control policies in general.

Mr Peter Dailey, Mr Reagan's 1980 advertising campaign manager, and now ambassador to Ireland, is to head a second group concentrating more specifically on countering mounting opposition to the deployment of the new American cruise and Pershing missiles in Europe if arms control talks with the Soviet Union do not make substantial progress by the end of the year.

Mr Reagan yesterday repeated his determination to stick to his original "zero option" proposal, under which the U.S. would forego the weapons' deployment altogether if the Soviet Union agreed to dismantle all the 600 or so missiles already in its medium-range arsenal. He added, however, that the U.S. would "listen to and negotiate any fair offer."

This will be the position that Mr Paul Nitze, the chief U.S. negotiator on intermediate nuclear forces (INF) will take to Geneva, after visits to Brussels and Bonn, when the talks resume on January 27. This is despite growing European interest in a compromise under which both sides would limit, rather than totally renounce the missiles.

In what was seen here as an important policy statement earlier this week, Mrs Margaret Thatcher, the British Prime Minister, told the House of Commons that the "zero option" remained the best solution. She suggested, however, that if this could not be achieved, there could be a compromise based on "equality" of the weapons on both sides – a view that has recently been canvassed by other West European leaders.

Mr Nitze, who last year tentatively explored a solution along these

Continued on Page 14

Mitterrand urges firm stance, Page 3

MBB chief steps down after row

BY STEWART FLEMING IN FRANKFURT

DR GERO MADELUNG resigned yesterday as chief executive of Messerschmidt-Bölkow-Blohm (MBB), the leading West German aerospace group, after disagreements among shareholders over how the group should tackle a serious deterioration in its business prospects.

After a meeting of MBB's supervisory board which approved proposals to cut the workforce, the company announced that Dr Madelung would step down to become deputy chief executive and that he would be replaced by Dr Hanns Arnt Vogels, a former senior executive of the Flick industrial group.

Dr Vogels was one of three managing directors of the Flick group who resigned at the end of last year in a major shake-up of top management.

The Flick group's tax affairs are being investigated by the Public Prosecutor's office. It has been suggested that the company "bought" tax benefits from the Government in connection with investments it made with the DM 2bn ($833m) proceeds from its sale of a stake in the automobile group Daimler-Benz in 1975.

The company has denied that the management shake-up was connected with the tax affairs investigation.

There has been growing speculation in the West German press about the possibility that Prof Madelung might be asked to step aside as chief executive, speculation which may have been intended to add to the pressures for change at the top.

According to sources close to the company, the pressure has come

Continued on Page 14

CONTENTS

Bonn forecasts economic recovery this year

BY JONATHAN CARR IN BONN

THE West German Government says it expects a clear economic upswing to emerge this year, accompanied by falling inflation and a current account surplus. The main blot on the picture will be an increase in unemployment to an average 2.35m, although Bonn thinks the rise will be less pronounced in the second half.

These projections are contained in the Government's economic report for 1983, due to be formally approved by the Cabinet next week and of which a text became available yesterday.

Unfortunately for the centre-right coalition of Chancellor Helmut Kohl, few of the positive economic signs are likely to emerge clearly before the general election on March 6.

None the less, voters are being given a signal that better times are on the way after two successive years in which gross national product has contracted in real terms (after allowing for inflation).

At first glance, the Government's forecast that there will be "about zero" GNP growth on average in real terms this year does not look like much of an advance. But after a cut of 1.2 per cent in real GNP last year, with a deteriorating performance in the second half, the "zero" projection in fact implies a very marked economic turn-round.

Several of the country's independent economic research institutes have already made clear they are less optimistic, saying they expect a fall in real GNP for the third year in a row.

However, the Government argues that while foreign demand will be weak this year, the domestic market should pick up thanks to an upswing in the key building sector, and a general drop in interest rates and inflation.

The boost in domestic demand is not expected to bring a sharp increase in imports this year, so that the trend will be towards a bigger visible trade surplus. The current account (visible trade, services and transfer payments together) could register a surplus of about DM 8bn (£2.1bn) this year, after a rough balance in 1982 and a deficit of DM 17bn (£4.47bn) in 1981.

One of the big problems for the Government is that it has to indicate what it expects the 1983 increase in wages and salaries to be *before* the annual bargaining between trade unions and employers is over.

However, with its projections of an average 4 per cent inflation rate, and of a rise of 3.5 per cent in gross wages, Bonn indicates that it thinks employees will be ready to take a further real cut in earnings for another year.

WEST GERMAN ECONOMIC DEVELOPMENT

	1982*	1983†
	(percentage changes)	
GNP (real terms)	− 1.2	approx 0
Jobless rate‡	7.5	approx 9.5
Fixed asset investment (nominal)	− 3.8	3.5 to 4.5
Consumer prices	5.3	approx 4
Gross pay per employee	4.1	approx 3.5
External component (DMbn)§	31.8	36 to 40

Source—Government economic report for 1983

* Preliminary official figures. † Government projections. ‡Unemployed as percentage of dependent labour force. § Balance of goods and services transactions with rest of world.

Dutch company tax cuts unveiled today

BY WALTER ELLIS IN AMSTERDAM

THE DUTCH Government announces details today of its plans to reduce company tax in the Netherlands by as much as Fl 7bn (£1.68bn) between now and 1986. Mr Gijs van Ardenne, the Economics Minister, intends reducing industry's tax burden for the 1982 and 1983 financial years by a total of Fl 1bn. Savings over the next three years would come to between Fl 4.5bn and Fl 6bn.

Industrial regeneration is a central element of the Government's economic strategy. The Christian Democrat - Liberal Cabinet believes that industry has been too highly taxed in recent years and that any increase in investment must be preceded by reduction in costs.

Company profits have fallen sharply in the past two years and a record number of companies went bankrupt in 1982. At the same time, unemployment is above 620,000—affecting more than 12 per cent of the workforce—and could rise to nearly 900,000 by the end of this year, according to the OECD.

Mr van Ardenne's proposal is for a reduction in the level of tax paid on capital assets and non-fixed assets (goods in store), first by 2.5 per cent, then by 3.25 per cent and, finally, by 4 per cent.

Vatican diverts *bishops'* N-missile

By James Buxton in Rome

ROMAN CATHOLIC bishops in the U.S. are likely to modify a pastoral letter condemning many aspects of U.S. nuclear and disarmament strategy as a result of a meeting held at the Vatican earlier this week.

Cardinal Agostino Casaroli, the Vatican Secretary of State, presided over the encounter between two U.S. bishops, including Archbishop Joseph Bernardin of Chicago, and bishops from six European countries, including Britain, West Germany, France and Italy.

The aim of the meeting was to discuss the draft of the pastoral letter which was drawn up last year at the U.S. bishops' conference. The publication of an earlier draft of the letter last November severely annoyed the Reagan Administration. It condemned U.S. first-strike policies as immoral, called for a halt to a further arms build-up, condemned the concept of limited nuclear war and said that U.S. policy on nuclear deterrence was morally unsatisfactory.

The final draft, to be approved next May, will not be a joint document fully reflecting European views, but will be refined in order that Catholic bishops on each side of the Atlantic should not move too far apart on the issue.

According to Archbishop Bernardin, more attention will be paid to scriptural teachings on non-violence and on the concept of "just war" and a distinction will be drawn between the different political systems of the U.S. and the Soviet Union.

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Gromyko stirs up West German political establishment

BY JAMES BUCHAN IN BONN

MR ANDREI GROMYKO made a joke. It was not a good joke but it came as a welcome relief at Tuesday's long news conference in Bonn, where the 73-year-old survivor of Yalta resolutely remained standing, effortlessly parrying predictable questions from East European correspondents.

A British journalist intervened and impatiently posed a question in three parts. "That," said the Soviet Foreign Minister, "is a question with three *independently targetable* warheads."

If the city of Bonn managed a weak smile at this word-play on the SS-20 nuclear missile, which has dominated West German thinking since former Chancellor Helmut Schmidt first warned of this threat in 1977, Mr Gromyko must also have been smiling as he left West Germany. His long visit, with its mixture of veiled threat and tiny signs of flexibility, has left the Bonn political establishment shooting at at least three different targets.

Officials of Chancellor Helmut Kohl's conservative-liberal Government made clear they had misgivings about the visit so near to the March 6 general election, in which Soviet intermediate-range missiles and whether they are to be matched by new U.S. missiles from this autumn are shaping up as the dominant issues. In fact, the officials said they were pleased Mr Gromyko did not delve deeper into the election campaign. "We are not for or against one or other party," he said on Tuesday.

However, they see Moscow employing a classic double strategy in West Germany towards its larger goal of preventing the deployment of the missiles and, eventually, dismantling the U.S. nuclear presence in Europe.

Last week, Herr Hans-Jochen Vogel, the Social Democrat leader, had an unusually generous audience in Moscow with Mr Yuri Andropov, the Soviet party secretary. He returned with Soviet "concessions"—which, however, Government officials said, proved considerably less far-reaching in formal talks with Mr Gromyko.

Mr Gromyko . . . classic double strategy.

But the implications for the electorate last week was that a Social Democrat Chancellor, a Willy Brandt or a Helmut Schmidt or a Hans-Jochen Vogel, will always have an ear in Moscow. Yet Mr Gromyko let slip just enough in Bonn to keep relations open with the Government parties which are still ahead in the public opinion polls.

The polls which the parties are watching with equal interest, however, are those that show a majority of the electorate against the deployment of 108 Pershing 2 and 96 ground-launched cruise missiles in West Germany, envisaged as a worst case by Nato's "double decision" of December 1979.

In talks with Mr Gromyko on Tuesday morning, Herr Kohl was said to have stuck stolidly to the "zero-option," outlined by President Ronald Reagan in November 1981. This calls on the Soviet Union to dismantle its entire land-based intermediate-range missile force directed at Europe as a price for Nato foregoing deployment. Officials of his party have privately stated that the Government must stick to the "maximum" position in public, whatever its feelings about its chances of achievement, in order to keep up pressure in Moscow and offer a united West German, and Western, front.

But Herr Kohl's garrison, already disaffected before the parley with Mr Gromyko began, is close to open mutiny. Herr Franz-Josef Strauss, head of the Christian Social Union in alliance with Herr Kohl, now says he always had doubts about the zero-option.

In Washington, some respected voices from the arms control establishment, including Mr Paul Nitze, the chief U.S. negotiator in the intermediate-range area, have suggested solutions other than the zero-option.

Even the Chancellor's Christian Democrats seem to be wavering somewhat. The text now heard most often is not that of the zero-option but of the double decision itself, which says that Nato will look at its armament needs this autumn "in the light of concrete results" in the U.S.-Soviet talks on intermediate-range nuclear forces in Geneva.

Herr Dieter Stolze, the Government's spokesman, said on Wednesday that these lines should be hung in the Government press conference hall so he would not need to quote them. But it was new that he quoted them so avidly.

Herr Kohl's chief problem is with Herr Hans Dietrich Genscher, the Foreign Minister, and his Free Democrats. Herr Genscher, who conducted the bulk of the talks with Mr Gromyko, had been causing worry in allied capitals by suggesting that an "interim solution," quite in line with the double decision, should be considered "that implies a reduction of the Soviet missiles in place and a reduction of the U.S. missiles to be stationed."

The Chancellor pulled Herr Genscher into line last week, but the dread sound of interim solutions continued to be heard from the party presidium at the weekend and from Herr Genscher's impulsive lieutenant, Herr Juergen Moellemann, minister of state at the Foreign Ministry. Herr Genscher is to visit Moscow next month.

Herr Vogel is extremely dubious about the zero-option, tends to talk of Soviet and U.S. missiles as equal evils and has suggested that signs of life at Geneva should allow a delay in stationing the new U.S. missiles.

Mr Gromyko's failure to offer much in substantive talks rubbed some of the gloss off Herr Vogel's Moscow visit, and he is now being tarred by the Christian Democrats and the conservative Die Welt newspaper as "Andropov's candidate." Yet, as one official put it: "The Moscow visit and the Welt headline would have destroyed Vogel in the 1950s. Not nowadays."

There remain "the Greens," who categorically reject the stationing of new U.S. missiles and are hovering around 6 per cent in the opinion polls. The prospect that troubles the West German markets is that the Greens will enter Parliament for the first time on March 6, and prove readily to vote with a minority Social Democrat government on certain issues but hamstring it on others.

FRENCH CONCERN ABOUT BONN'S FUTURE ATTITUDE

Mitterrand urges firm missile stance

BY JONATHAN CARR IN BONN

THE FRENCH President, M Francois Mitterrand, has stepped into the West German election campaign with an implicit warning to Bonn to stick to the Western stand on intermediate-range nuclear missiles.

In a speech yesterday in the Bonn Parliament, M Mitterrand stressed that the superpower missile talks in Geneva could only be successful if all alliance members stuck together. At the same time, he reiterated that France would preserve its own nuclear deterrent and was not prepared to see this drawn into the Geneva negotiations.

The President's hour-long speech, which also ranged over bilateral and European Community matters, was officially billed as marking the 20th anniversary of the Bonn-Paris Friendship Treaty.

However, M Mitterrand's special emphasis on defence and security matters was widely taken here as a sign of concern about Bonn's future course after the March 6 general election.

West Germany is one of the key countries where new U.S. nuclear missiles are supposed to be deployed if the Geneva talks fail, and this has become a central issue in the election campaign.

The senior government party, the Christian Democrats, promptly pounced on the President's statement as showing a sense of reality which contrasted sharply with the "wishful thinking" of the opposition Social Democrats (SDP).

The SPD, in turn, praised M Mitterrand's comments about the need for a balance of power, but added it could not be denied that French nuclear forces existed. They would, therefore, have to be taken into account somehow if a negotiated East-West settlement was to be reached.

This is exactly the point the French reject, and President Mitterrand underlined it by indicating that the French independent deterrent increased security for all the allies—West Germany, too.

"Please think this over," he told the assembled parliamentarians "that this (French) nuclear force increases the uncertainty for a potential aggressor, and only for that aggressor."

He recalled that much had been achieved thanks to the 1963 treaty, but that there was scope for improvement, in security and other fields.

He noted that the treaty text provided for regular meetings of defence ministers every three months, of chiefs of staff every two months, and for closer alignment of military strategy as well as co-operation on joint weapons projects.

This military element of the treaty had been "rediscovered" by Bonn and Paris over the past few months, and both sides say they intend to give particular weight to it. However, President Mitterrand did not let slip exactly what this might involve.

On EEC matters, he urged greater industrial and technological co-operation to help ward off competition, not least from Japan. He also made clear France would like to see the European Monetary System developed as part of a return toward more stable world currencies—but did not say how this should be achieved.

Kohl to visit Britain next month

CHANCELLOR HELMUT KOHL is to visit Britain next month for talks with Mrs Margaret Thatcher, agencies report. They will meet at Chequers on February 4, just one month before the West German election. Herr Kohl is coming at the special invitation of the Prime Minister and the meeting is in addition to the regular twice yearly Anglo-German summits. He will be accompanied by Herr Hans Dietrich Genscher, the Foreign Minister. Mr Francis Pym, the British Foreign Secretary, will join the talks.

Brussels sues Paris over farm decision

By Larry Klinger in Brussels

THE EUROPEAN Commission has opened legal proceedings against France over the Government's decision to establish agriculture market management organisations which, it is feared, could operate in defiance of EEC law governing free farm trade within the European Community.

Paris has been told to provide within a month's time a detailed justification that the new organisations cannot be used to restrict imports, especially of wine from Italy or eventually Spain.

If the Commission is not satisfied with the reply, it could decide to take the issue to the European Court.

One of the Commission's main concerns is that, if the new system's functions are not clearly defined in conformance with EEC law, it might undermine the recent measures adopted by the EEC member-states to prevent the outbreak of further "wine wars".

The EEC only six months ago adopted a strengthened market support system to mop up wine surpluses through conversion into industrial alcohol in an effort to prevent the recurrence of the often violent protests from French growers that have in the past led to the temporary banning of cheap wine imports from Italy.

The decision to establish the new marketing bodies fulfils a French Socialist Party election pledge made before the Mitterrand government came to power 18 months ago. Since then, the Commission has held a series of discussions on the issue with the French without being convinced that the new operations will conform with EEC law.

Bonn ready to study 'quickly' aid to reshape steel industry

BY JAMES BUCHAN IN BONN

THE BONN government is ready to study "speedily" requests for state aid as part of a restructuring process for the West German steel industry, which has been badly hit by the latest round of the steel crisis.

However, both the economics ministry and the industry, whose production tumbled from 42m tonnes in 1981 to 36m last year, are waiting for the publication of proposals from an independent commission of three expert "moderators"—or wise men, as they have become known. Their report, which had been expected on January 15, appears to have been delayed by the collapse of the Korf steel and engineering group.

The report is now expected at the beginning of next week.

According to expectations in the Ruhr, the moderators will propose co-operative arrangements or possibly amalgamation of the eight main groups around two main "centres," with Thyssen and Krupp Stahl, the healthiest concerns, on the one hand, and the remaining groups clustering around Hoesch.

However, the moderators themselves have obstinately refused to reveal the course of their deliberations although they have held talks with all the steel groups, the European Commission and the Bonn Economics Ministry.

What is clear is that the original concept of Ruhrstahl, whereby Krupp Stahl and Hoesch would come together in a Ruhr group to match Thyssen in size, is all but moribund. In spite of bland public statements, Krupp's enthusiasm for the deal has all but evaporated.

The announcement earlier this week by the Social Democrat regional government of North-Rhine Westphalia, which administers the Ruhr, that it would take a stake in a future Ruhrstahl is widely regarded as a last-ditch effort to forestall the moderators.

It is feared that with half the West German steel workforce on short time, the need to cut capacity will fall particularly hard on Hoesch and its base at Dortmund in the eastern Ruhr.

Herr Hans-Jochen Vogel, the Social Democrat candidate for the March federal elections, said this week that nationalisation could not be excluded as a last resort to prevent a "catastrophe" in the steel sector.

Banks' discount quotas raised

BY STEWART FLEMING IN FRANKFURT

THE BUNDESBANK yesterday took steps to ease its monetary policy by adding some DM 4.5bn (£1.18bn) of permanent liquidity to the banking system. But the central bank disappointed the financial markets by not lowering either its Lombard or discount rates on the grounds the turbulence on the foreign exchange markets is causing it to move more cautiously than had been widely expected.

Following its fortnightly council meeting, the Bundesbank announced that it would be raising, from February 1, the banking sector's discount quotas by DM 4.5bn to DM 56.1bn. Banks can obtain liquidity from the central bank through the discount quotas at the favourable discount rate, currently 5 per cent.

The financial markets had been expecting the Bundesbank to cut its leading interest rates once again at yesterday's meeting. But in its most recent monthly report, the Bank hinted that further progress on reducing inflation would be needed for interest rates to fall.

In the past week, also, the D-mark which had been strengthening against the U.S. dollar in recent months, began to weaken in often hectic trading. This week it fell through the DM 2.40 level.

Fears about outcome of the forthcoming general election on March 6 have hit West German financial markets and the currency. One bank economist suggested yesterday that this seems to have tipped the balance against a cut in the central bank's leading interest rates, not so much because of the level of the D-mark against the dollar, but rather because of the turbulence in the currency market.

It is suggested now that the central bank will not take monetary initiatives again until after the election. But by adding to banking liquidity yesterday, the Bundesbank has underlined that the continuing thrust of its policy is in the direction of monetary relaxation.

The Swedish Riksbank (central bank has lowered its discount rate from 10 per cent to 9 per cent from today, writes our Stockholm correspondent. Other measures include a 0.25 per cent drop in the long-term bond rate and a cut in the penalty imposed on excess bank borrowing from the central bank.

Mr Bengt Dennis, the Riksbank governor, said the discount moves implies "a general decrease in bank lending and deposit rates" in Sweden, and is justified by the downward trend of international interest rates.

Current account deficit tripled last year

BY DAVID HOUSEGO IN PARIS

FRANCE'S current account deficit more than tripled last year to reach a record FF 85bn (£7.6bn).

The final figure was roughly in line with what had been expected, but has, nonetheless, revived reports that the government will bring in deflationary measures to curb the import bill.

M Jacques Delors, Finance Minister, on Wednesday denied that the government had any plans to bring in a further austerity package after the municipal elections in March.

The shortfall on the current account was mostly due to the sharply rising trade gap which reached FFr 92.7bn last year. It also was due to the abrubt decline of France's traditional surplus on invisibles.

Last year, France achieved only a FFr 8bn surplus on the "services" account as compared with FFr 32bn in 1981 and FFr 37bn in 1980. An important element in this decline has been the contraction of the invisible receipts of the banking sector both as a result of a higher level of debt and of the higher interest payable on it.

At the same time, the service account suffered from a fall in earnings on the foreign exchange reserves as these have been run down to support the franc.

M Michel Jobert, Minister of External Trade, said yesterday that the current account deficit was "much more preoccupying" than the trade deficit. He left little doubt that the record bilateral trade deficit with West Bermany of FFr 38bn last year will be a subject of recriminiation.

Denouncing the 30,000 technical norms which the French claim that West Germany puts in the way of those exporting to it, he said that it was up to Count Otto Lambsdorff, West German Finance Minister, to justify these. Count Lambsdorff has launched several strong attacks against French protectionism.

Italians locked in last-ditch talks on labour costs

BY JAMES BUXTON IN ROME

WITH ONLY hours to go before the expiry of the midnight deadline, Italian unions and employers were last night meeting at the Ministry of Labour in a final attempt at a mutual agreement on reducing labour costs and the triggering of the *Scala Mobile* wage indexation system.

There was virtually no chance of an agreement being reached by the deadline, which was set by the government last month. But Sig Vincenzo Scotti, Labour Minister, has said that if an agreement looked possible he would "stop the clock" at midnight to let the negotiations continue.

This would avoid the government having to fulfil its commitment to intervene with a formal proposal of its own for modifying the *Scala Mobile*, which is politically less attractive than steering the two parties to agree

Yesterday, Confindustria, the employers' association, agreed to continue talking, though it said its negotiators have been given a "very narrow" mandate. The employers insist that there can be no agreement which does not entail modifying the *Scala Mobile*.

The basic issue is to make sure that the cost of labour does not rise by more than 13 per cent this year and 10 per cent in 1984, taking into account wage indexation and rises in basic wage rates.

To make both unions and employers more amenable to an accord, Sig Scotti and other ministers have agreed to make concessions on taxes, tariffs and social security charges. But these concessions will only be implemented if there is an agreement to keep wage costs within the ceiling.

The measures already agreed on in the course of agreement with the unions include adjustments in income tax to compensate for the effect of fiscal drag, increased family benefits, a commitment to keep rises in charges for state provided services down to 13 per cent this year and some reductions in proposed increases in prescription charges.

Top Irish policemen may quit

By Brendan Keenan in Dublin

AT LEAST two senior officers of the Garda, the Irish police force are expected to resign as a result of Government investigations into allegations of telephone tapping during the administration of Mr Charles Haughey.

The Cabinet of Dr Garret FitzGerald met until late yesterday evening to finalise a detailed statement on investigations of claims that the telephones of two prominent journalists were tapped.

It is alleged that official police warrants, signed by Mr Sean Docherty, former Justice Minister, authorised the tappings. Mr Haughey says he knew nothing of such measures and claims that they would not normally come to the attention of a PM.

The Garda's previously high reputation may be the most serious casualty of the scandal but it is known, for example, that the Royal Ulster Constabulary has become concerned at evidence of political tensions within the Garda.

Co-operation between the two forces is close but the RUC were embarrassed when news of a pre-Christmas meeting between the heads of the two forces and senior officers was leaked to newspapers. RUC men believe the leak came from within the Garda and was intended to embarrass Dr FitzGerald's recently elected Government.

There have been calls for the formulation of a police authority to act as a buffer between the Garda and the politicians. At present, all promotions above chief superintendent have to be approved by the Government and there is close supervision of the force by the Department of Justice.

There is some surprise in Dublin that any warrant might have been signed to tap the journalists' telephones. It is claimed that the monitoring of calls is legal, and common in Ireland.

Romanian debt talks

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

ROMANIA seems set to achieve fairly speedy agreement with commercial bank creditors on an arrangement to reschedule part of the \$860m (£540m) in debt falling due to them this year.

This emerged yesterday after a first round of talks between a top-level Romanian delegation headed by Mr Petre Gigea, Finance Minister, and nine of the country's leading bank creditors. Romania suspended repayments of principal at the start of the year to allow time for an agreement to be worked out.

At the two-day talks in London, Romania told its bank creditors it was asking Western governments to reschedule some 75 per cent of the \$217m owed to them this year and indicated that banks would be asked to reschedule a similar proportion.

This gives a much smaller amount than in 1982 when banks agreed to defer repayment of some \$2bn over 6¼ years at a margin of 1¾ per cent over Eurocurrency rates.

Romania is expecting its current account balance of payments with the West to be in surplus this year by nearly \$670m compared with a surplus of \$655m in 1982. Its trade surplus should also be similarly large as last year's \$1.5bn, according to current Romanian estimates.

Appointment paves way for stronger Spanish defences

BY TOM BURNS IN MADRID

ADMIRAL Angel Liberal Lucini, a key member of the Defence Ministry, has been appointed Commander-in-Chief of the Mediterranean zone, in a move that emphasises the strategic importance which Spain attaches to its southern flank.

Defence experts in Madrid think that Spain's contribution to Nato is a naval role at the entrance to the Mediterranean, while traditional Spanish military thinking emphasises the concept of "an enemy in the south."

The appointment of Admiral Liberal, 62, disclosed after a midweek cabinet meeting, follows indications that Sr Felipe Gonzalez's Government will be using defence interests in the south as a bargaining counter in its current reappraisal of Spain's presence in Nato.

Before Christmas, the Madrid Government said it was freezing its links with the alliance's integrated command structure while it "restudied" the Nato dossier.

Dominating present defence thinking in the new administration is what the Madrid naval war college terms the Balearics-Canaries Arc, which stretches from the Mediterranean, through the Straights of Gibraltar, to the Atlantic coast off the Sahara.

Military officials who favour Spain's continued presence in Nato consider that Madrid should seek a separate command within the alliance covering all or part of the zone.

Admiral Liberal, who was a Secretary of State at the Defence Ministry before receiving the Mediterranean command, was close to the negotiations which led to Spain's entry into Nato under the centre party government last year. In the Defence Department he wielded considerable power as the most senior military aide to successive civilian ministers.

The Mediterranean zone, which includes the base of Cadiz on the Atlantic coast, also includes the North African enclaves of Ceuta and Melilla. Officials in Madrid are nervous that Morocco will state its claims to the two Spanish military settlements with more force in a move that would mirror Spain's interest in settling the Gibraltar dispute.

Gibraltar, defence guarantees for the enclaves, and a separate Spanish command within the Alliance are the chief elements in the reappraisal of Spain's continued membership of Nato.

HUMAN RIGHTS RECORD 'APPALLING'

El Salvador poses dilemma for U.S.

A GREEN hut behind the offices of the Archbishop of San Salvador, from where the country's human rights commission receives daily complaints of abuses and atrocities is today set to be at the centre of the Reagan Administration's controversial policy towards the war-torn central American republic.

Washington is due to certify to the U.S. Congress, as it has to do every six months, whether progress is being made in improving human rights there. The "certificate" that progress has taken place is needed to allow the U.S. Administration to continue supplying massive economic and military aid to the Conservative Government of President Alvaro Magaña, which is fighting against left-wing guerrillas.

Total aid this year for the coffee-producing country of 5m people the size of Wales, is estimated at \$237m (£152m). El Salvador is now the U.S.'s third largest recipient of aid.

In the past week, El Salvador has been deluged with visits by U.S. Congressmen, lawyers, doctors, trade unionists, and even the boy scouts' movement who, largely critical of their own government's policy, have been scrutinising the country's human rights record. Their general verdict is that the record is still appalling.

The issue has become a major thorn in the flesh of the U.S. Administration, which is being severely criticised by liberals at home and abroad for contributing to a staggering loss of life by supplying arms.

The commission claims, mainly on the basis of eye witness accounts, that since the October 1979 reformist coup, which overthrew the military rule of Gen Carlos Humberto Romero and sparked off an intense power struggle, 36,000 people not directly involved in the fighting have been murdered by the security forces and right-wing death squads. A further 3,000 people have disappeared and are presumed dead. Several thousand more soldiers and guerrillas were killed in combat.

Washington is determined to hold the line against what it views as a Communist threat in its backyard even if it means effectively sanctioning gross human rights abuses in the name of anti-Communism.

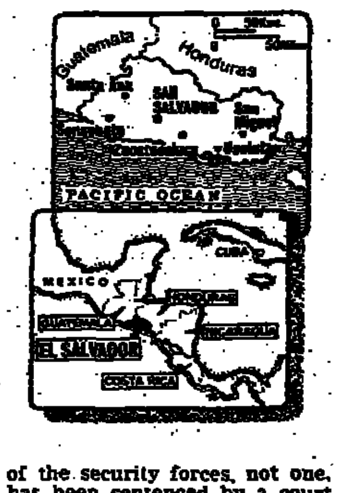
Every day, people arrive pathetically at the commission's headquarters to report the murder or the disappearance of a member of their family.

"Mr Reagan is supporting genocide," said a young pregnant mother at the commission, calmly relating how her husband was taken away in the early hours of the morning by "armed civilians," the euphemism for the death squads.

Another woman looked through the commission's book of gruesome photographs of mutilated bodies, often found on rubbish tips, to see if she could identify her lost husband.

As far as numbers of deaths are concerned, there has been an improvement in the human rights situation over the past year, since "only" 5,840 people, according to the commission, were murdered in 1982 compared to almost 14,000 in 1981.

But these figures, emphasised Mgr Ricardo Urioste, the Vicar General of San Salvador and an open critic of the Government, have to be treated with caution. "So many people have now been killed that there are less candidates," he said.



"But not one single member of the security forces, not one, has been sentenced by a court and the figure only includes the area of San Salvador, since it is no longer possible to cover the whole country." Fighting is particularly intense in some rural areas.

The list of unresolved crimes is immense. Among the internationally known are the cases of the murder of Archibishop Oscar Romero, who was gunned down two years ago while saying mass and the killing of four U.S. nuns.

One major reason, said a senior government official, why nobody has been sentenced is the "tremendous fear among judges and lawyers that they will be killed." The magistrate investigating the case of Archbishop Romero, for example, fled the country after his house was machine gunned.

Many of the government soldiers are illiterate teenagers, some forcibly recruited in rural areaes. Poorly paid, under-fed and with no field hospitals, they have to fight for their lives against well-prepared guerrillas.

"When the troops go into a village in guerrilla territory they don't knock on the door of a hut. They just throw a grenade through the window and if a child gets killed that's bad luck," said a European military attaché.

Troops have been horribly mutilated after stepping on mines. Many have bled to death in the journey back to the military hospital in San Salvador, the only one in the country.

Officers feel that the controversy over the human rights certificate is unfair since it is putting them under the spotlight and demoralising them, and not the guerrillas. However, there is little evidence to suggest that the rebels have committed widespread abuses.

The problem facing Washington was poignantly expressed in an acrimonious debate between one of the delegations visiting El Salvador and U.S. embassy staff, who were questioned about the death of several U.S. citizens.

After hearing from a senior diplomat that there was sufficient evidence to bring to trial two soldiers for allegedly shooting a U.S. tourist in the back at point-blank range but that no case had been presented by the military authorities, a stupified member of the delegation asked "Do you mean to say that we are arming an army which is killing innocent people and we are powerless to do anything?"

The diplomat replied that this conclusion could be drawn, but that Washington was doing everything in its power to make the army improve the situation.

IDB expects to agree $13bn programme

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

A \$13bn (£8.3bn LENDING programme for the next five years is expected to be agreed by the governors of the Inter-American Development Bank (IDB) at a meeting in Paris on February 3 and 4 and formalised at the bank's annual meeting in Panama City at the end of March.

The programme, much larger than originally wished by the U.S. government, was agreed in principle at a working meeting which took place in Barbados last week. The programme will have to be endorsed by the U.S. Congress, a process which officials fear may take the greater part of this year.

As on early occasions, the IDB is running low of funds which it is able to commit to new borrowers and may have to suspend new commitments at mid-year. It is, however, expected to continue with disbursements of loans already agreed and to give provisional commitments to advances, conditional on U.S. congressional approval and the receipt of funds from the U.S. Treasury. ieaetaoin shrdlu cmfwyp vbgw

According to bankers, Britain was at the centre of a fierce disagrement in Barbados over the subscription of new capital by the non-regional members of the bank—which include Western European countries, Japan and Israeixto the bank's Fund for Special Operations (FSO). The FSO is the bank's soft-loan lending operation.

Britain, it appears, wants to make further cuts to the amount of concessional finance subscribed by the non-regional members to the FSO. Under existing plans Britain's contribution to the FSO was to fall from \$72m to \$29.7m. Whitehall wants this sum further reduced to \$10.9m.

The British move is said to have been badly received by the Latin American members and Latin American relations with Britain, already strained by the Falklands war, took a further turn for the worse.

"The British attitude was surprising given the British government's expressed intention of trying to strengthen relations with Latin America," commented one banker.

Officials representing non-regional members of the bank yesterday pointed to increasing unrest among them over the fact that non-regional governments had been expected in the past to provide 30 per cent of the soft loan capital of the FSO while execising only 8 per cent of the voting rights. Britain, it was said, had not taken the lead in an argument which involved many other countries of Europe.

Nakasone interview starts Japanese defence storm

BY JUREK MARTIN IN TOKYO

A STORM has arisen over Mr Yasuhiro Nakasone's, the Japanese Prime Minister, toughly-worded interview with the Washington Post, in which he implied a greatly enhanced Japanese defence role against potential Soviet aggression.

Japanese Foreign Ministry officials, echoing the comments of those travelling with the Prime Minister, suggested that Mr Nakasone had either been misquoted or quoted out of context in the interview, given in Washington on Tuesday, before his first session with President Reagan.

Opposition political parties, led by the Japanese Socialist Party charged that Mr Nakasone was engaged in a "dangerous plot" with President Reagan designed to drive the Japanese people to war again.

Komeito, the next largest opposition party behind the JSP, suggested the Washington talks had more serious implications than those in 1981 between President Reagan and former Prime Minister, Mr Zenko Susuki, when the word "alliance," with its military connotations, was first used to describe U.S.-Japanese relations.

Defence is usually one of the most sensitive political issues in modern Japan. Mr Nakasone himself has long been an advocate of rewriting Japan's 36-year-old "peace" constitution, denying the state the right of belligerency. He believes the constitution should recognise what he sees as the current realities of the need for an "independent" defence capability, which meshes with U.S. regional security policy.

The process of rewriting the constitution, which would require considerable political consensus in the country, has not started. But the nature of Mr Nakasone's rhetoric in Washington, with references to Japan being "an unsinkable aircraft carrier . . . against invasion by (Soviet) Backfire bombers," and possessing sea defences to block the passage of Soviet submarines and ships over "several hundred miles," certainly appears to force the issue out into the open.

Somewhat defensively, Foreign Ministry officials here suggested that Mr Nakasone was only talking about hypothetical wartime emergency conditions.

This is not the interpretation being put on his comments by critics who say Japan does not have the capability to stop Backfire bombers.

Government officials concede this is the case. Certainly the F-15 fighters that Japan is now building under licence are not being produced in sufficient numbers to constitute a credible deterrent.

An expanded Japanese defence effort, desired by the Reagan Administration for both strategic and economic reasons, would certainly breach the unofficial "golden rule" of the last decade that defence spending should not exceed 1 per cent of gross national product. In the budget for the fiscal year starting in April, defence accounts for 0.98 per cent of GNP, assuming a 3.2 per cent annual growth rate.

Moscow's sharp reaction to Mr Nakasone's interview, while predictable, will also cause the Prime Minister's critics to wonder if he is not about to undermine the convenient relationship Japan has enjoyed with its two powerful Communist neighbours, the Soviet Union and the Chinese.

Mr Nakasone also spoke in the Post interview of the desirability of putting political limits on Japan's economic expansion, which can be interpreted as meaning curbs on Japanese exports to the Communist bloc, for political reasons as well as to its major Western trading partners. This would, if realised, be something of a blow to the Japanese commitment to free trade.

Yasuhiro Nakasone . . . tough talk

The Prime Minister's extensive interviews with the U.S. media were mainly for American consumption. But they are being heavily played back here. Mr Nakasone is due to address his Liberal Democratic Party's annual convention in Tokyo starting tomorrow and it will be interesting to see if his arguments are differently couched for Japanese cars.

Tractors start Egypt border row

By Our Tel Aviv Correspondent

ISRAEL accused Egypt of violating the peace agreement between the countries yesterday, when Egyptian tractors moved into the demilitarised border zone at Taba, a disputed area in Sinai, south of the Israeli port of Eilat, on the Gulf of Aqaba.

Israel's sharp reaction to the border infringement epitomised the prickly nature of relations between the two countries. Since the Israeli invasion of Lebanon last June, Egypt has frozen almost all dealings with Israel and recalled its ambassador from Tel Aviv.

General Dov Zion, the Israeli representative on the joint Israel-Egypt military committee, launched a complaint with Egypt yesterday and called for an immediate halt to the ground-levelling work

The Egyptian Foreign Ministry said later that the border had been crossed in error, and by last night the tractors had been withdrawn

Both Israel and Egypt claim sovereignty over the 600-metre stretch of coast at Taba. When Israel made its final withdrawal from Sinai last April, it was agreed to leave Taba as a demilitarised zone until the dispute can be resolved.

Israel stands firm on Lebanon terms

BY DAVID LENNON IN TEL AVIV

AMERICAN EFFORTS to persuade Israel to soften its terms for withdrawal from Lebanon have not met with much success so far, in spite of days of intensive negotiations in Jerusalem between Mr Philip Habib, the special U.S. envoy, and Mr Yitzhak Shamir, the Israeli Foreign Minister.

Israel is insisting that its soldiers man early warning stations in southern Lebanon, after it withdraws its invasion force. Jerusalem also wants a detailed, written agreement on the normalisation of relations with Lebanon.

Mr Habib argued that stationing Israeli soldiers in Lebanon after the withdrawal would infringe Lebanese sovereignty. It would also lead, he said, to a Syrian demand for a similar arrangement in that part of Lebanon which its forces occupy.

The U.S. envoy suggested instead that the early-warning stations, designed to detect any movement of Palestinian guerrillas or other Arab forces towards the Israeli border, be manned by U.S. personnel.

But Mr Shamir rejected this offer. He said that Israel would man the stations on a temporary basis, for an agreed number of years, or "until a peace treaty is concluded." The Foreign Minister said that the proposed warning stations were intended to be part of the structure of close co-operation which Israel wanted to develop with the Lebanese army.

He also rejected the American proposal that Israel settle for practical understandings on normalisation, rather than insisting on a detailed, written agreement, which Lebanon may have difficulty signing.

Mr Antoine Fattal, head of the Lebanese delegation to the tripartite Israel-Lebanon-U.S. negotiations, yesterday rejected Israel's demand that it be allowed to man early-warning stations in Lebanon following its withdrawal.

The demand was raised by the Israeli delegation at the eighth round of talks, which was held at Kiryat Shmoneh, in northern Israel.

The delegations agreed to set up four sub-committees to discuss separate aspects of the negotiations. These will cover the framework for future relations (normalisation) between Israel and Lebanon, security arrangements, the withdrawal of foreign forces from Lebanon, and possible future guarantees.

Last week, a sub-committee was established to discuss the termination of the state of war between the two countries, so that now there are sub-committees to deal with each of the five topics on the agenda.

Arabs meet to discuss UK visit

FOREIGN MINISTERS of an Arab League delegation are due to meet in Morocco today to decide whether they can now go ahead with their planned visit to London, our Foreign Staff writes.

The delegation called off the visit after the British Government set what some delegates described as "insulting" conditions. The issue of a Palestinian representative has been at the centre of the row and it is believed that the Foreign Ministers will discuss a compromise formula worked out by the British and Moroccan governments.

Arab diplomats suggest that there has been some movement on the British side but remain unsure whether it has been sufficient for the visit to go ahead.

The ministers from Saudi Arabia, Algeria, Jordan, Syria, Tunisia and a representative from the Palestine Liberation Organisation are to meet in Marrakesh under the chairmanship of King Hassan of Morocco.

Unless there is agreement between the Arab League and Britain there is little chance of Mr Francis Pym, the Foreign Secretary, being able to reinstate his proposed tour of Gulf countries which he was forced to postpone last week after being informed that he would not be welcome.

Tasmanian power station offer attacked

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE DISPUTE over Tasmania's planned Franklin River hydro-electric scheme suffered a fresh twist yesterday with claims that an offer by the Australian Government to fund an alternative coal-fired scheme had been "cooked up" between Mr Malcolm Fraser, Prime Minister, and Mr Robin Gray, the Tasmanian state premier.

Mr Fraser, after touring Tasmania's south-west wilderness—scene of the proposed hydro scheme—offered on Wednesday to fund a A$500m (£300m) coal-fired power station instead, so as to save the Franklin River without damaging employment prospects in Australia's smallest state.

The offer was rejected out of hand by Mr Gray.

The Federal Government and the Tasmanian State Government are Liberal-run, but yesterday, Australian Labor Party and Democrat leaders claimed the Fraser offer breached "new heights in political cynicism," and had been a put-up job aimed at improving Mr Fraser's popularity ahead of this year's General Election.

Mr Gray rejected the offer on Wednesday as insufficient. He said the coal station would last only 30 years, against 100 for the hydro scheme, and claimed the coal station would leave at least 150,000 tonnes of ash a year.

Plans to flood the Franklin partially have caused protests by conservationists alarmed at the prospect of damage to a world heritage area which contains Australia's oldest-known aboriginal sites.

The Democrats warned yesterday that they might block Money Bills for Tasmania in the next Federal parliamentary session, while Labor leader Mr Bill Hayden said he did not believe Mr Fraser was sincere in wishing to halt the dam.

Senator Don Chipp, leader of the Democrats, said yesterday that research indicated that 21 Liberal seats could fall on the dams issue alone.

Tasmanian unemployment is more than 11 per cent. Many of the state's main power users, including Comalco, EZ Industries and Broken Hill Proprietary, have been hit by the decline in world minerals demand.

Mr Fraser stressed yesterday that his offer was still on the table. But he seemed loth to intervene directly in the controversy.

Mr Gray has said that the Franklin hydro scheme, still in the very early stages of construction and not due to deliver power until 1990-91, had been approved by Tasmanians in a state election and in a referendum.

He has consistently maintained he is not open to a federal offer of compensation for abandoning the Franklin hydro scheme—a stance that not only threatens grave troubles for the Liberals in the General Election, but raises the possibility of a dog fight on constitutional rights.

Thailand's economy shows mixed results

BY JONATHAN SHARP IN BANGKOK

THE BENEFITS and the drawbacks of conservative fiscal policies are illustrated in figures this week measuring Thailand's economic performance in 1982.

On the plus side are a reduction in the perennial trade deficit, from baht 65bn (£1.7bn) to baht 40bn, an increase in the overall balance of payments surplus by baht 800m to baht 3.3bn and a 50 per cent reduction in the current account deficit to baht 27.5bn.

But two important vehicles for future growth, private sector and foreign investment, were dawn in 1982 by 19 and 21 per cent respectively, according to the official figures.

High local interest rates are the cause for the drop in investment, and the Government is not doing enough to help bring them down, say critics. They add that tight fiscal policies may be laudable in the short term, but they may strangle future growth prospects.

Mr Sommai Hoontrakul, Finance Minister, a cautious technocrat, has presented a budget for fiscal 1983 which holds real budget growth close to zero.

The reduction in the Thai trade deficit may be short-lived. The good trade performance was achieved by major increases in exports of agricultural products, with greater volume to some extent offsetting the downward trend in world prices.

Output, though for the 1982-83 crop year is expected to be down about 10 per cent, hence Thailand, still predominantly an agricultural country, will find it difficult to sustain a high growth rate in exports.

Indian violence threatens Assam state elections

BY K. K. SHARMA IN NEW DELHI

VIOLENCE and arson in the troubled north eastern state of Assam, where elections are to be held next month, have forced the Indian government to put an indefinite curfew in two key towns in Nowgong district.

The violence came during a successful 35-hour general strike called by students who have been agitating for four years for the deportation of "foreigners," mainly migrants from Bangladesh and the Indian state of West Bengal.

The agitation forced the postponement of general elections in Assam when they were held in India in 1980. The students, who oppose the holding of the elections next month, have said they will not allow balloting to take place.

After the student's announcement, the major opposition parties in India with the exception of the communists have declared that they will not take part in the Assam election. This strengthens the chances of Mrs Indira Gandhi's Congress (I) which was trounced in south India elections two weeks ago.

The state's unsettled conditions, which would make the elections unreal, could be escalated by the students.

This could damage Assam's economy as it produces 3m tonnes of crude oil annually as well as large quantities of tea.

WORLD TRADE NEWS

Spanish shipbuilders warn of collapse

By Tom Burns in Madrid

SPANISH shipbuilders have warned that the sector could collapse in the short-term unless it is overhauled drastically to make it more competitive.

In its monthly bulletin, the Asociation de Constructores Navales Espanoles said new orders last year in compensated gross registered tonnage (grt) terms showed an overall drop of 60.9 per cent with the domestic demand slipping 25.5 per cent and orders for export falling 80.9 per cent against 1981.

Figures for keels laid down during 1982 showed an overall shortfall in compensated tonnage terms of 6.4 per cent with domestic keels down 4.3 per cent and keels for export down 7.3 per cent against the previous year.

A total of 109 ships were delivered last year — 53 for export — which together represented 472,098 grt, 6 per cent down on 1981.

Highlighting the sector's difficulties, the association's report said 12 yards had launched the last vessel on their order list in the course of last year and a further eight woul do so in the first quarter of this year.

The shipbuilders said the only course open to the sector was Government aid to help it cut severely its productive capacity and undertake major readjustments.

Agencies add from Oslo: A quarter of Norway's 20m grt merchant fleet was idle at the end of 1982, up from 12.5 per cent of the total tonnage at the end of 1981.

By December 31, 74 Norwegian merchant ships—of 500 grt or more were laid up in Norwegian and foreign ports, including 39 tankers of 4.3m tons, representing 33.7 per cent of the country's total tanker tonnage.

Japan's major trade surpluses smaller in 1982

BY JUREK MARTIN IN TOKYO

THE JAPANESE trade surpluses with both the U.S. and the European Community were smaller in 1982 than the previous year, though not to the point of suggesting a fundamental shift that might alleviate trade frictions.

Year-end statistics issued by the Finance Ministry show that the overall Japanese surplus in merchandise trade narrowed to $6.88bn from the $8.74bn of 1981, with exports falling 8.7 per cent to $138.85bn, and imports dropping 7.9 per cent to $131.97bn.

When measured in yen, which held a low value for much of last year, both exports and imports rose slightly, by 2.9 and 3.8 per cent, respectively. But most Japanese trade contracts are priced in dollars, making the yen figure less useful for comparative purposes.

The Finance Ministry statistics are based on exports and fob imports cif, which, taken in juxtaposition, tend to underestimate export value and overestimate imports by, on average, about 20 per cent, in some cases more. Nevertheless, the figures do give a good basic idea of what Japan sold, to whom, and what it imported over the year.

Dividing the world into blocs, Japan enjoyed a surplus on trade of $19.6bn with the developed nations, a deficit of about $13.7bn with the developing countries, largely because of oil imports, and a surplus of just under $1bn, with the Communist nations.

The surplus with the U.S., comfortably Japan's major individual trading partner, amounted to $12.18bn, with exports down 5.9 per cent to $36.34bn and imports off by 4.5 per cent to $24.16bn.

The European Community bought $17.07bn worth of goods from Japan, 9.6 per cent less than in 1981, but only sold $7.56bn, 11.6 per cent under the previous year's level. The resulting $9.51bn deficit compares with the $10.3bn in 1981.

Of the major European countries, Japanese exports rose slightly only to Britain, up 0.5 per cent to $4.82bn, and France, up 4.3 per cent to $2.32bn. Sales to West Germany, on the other hand, were down 15.9 per cent to $5.02bn.

France, however, was one of only about ten countries worldwide to increase its exports to Japan, by 3.6 per cent to $1.21bn, leaving a bilateral deficit on the French side of $1.11bn.

Britain was less fortunate, and saw its sales to Japan in 1982 fall by no less than 30.5 per cent, compared with the previous year, to $1.87bn, resulting in an appreciable widening of the British deficit to $2.95bn. West Germany's exports fell by just over 3 per cent to $2.35bn and a consequent deficit of $2.67bn.

On the export side, the biggest Japanese advances were to the Soviet Union, up 19.7 per cent to $3.90bn, largely on the strength of sales of steel and construction machinery, India up 17.7 per cent to $1.41bn, and Saudi Arabia up 12.7 per cent to $6.62bn.

The Kingdom thus becomes Japan's second largest individual export market after the U.S., as well as being, because of over $20bn worth of oil contracts, its second largest supplier.

The biggest single gain in sales to Japan last year was recorded by none other than Iran, whose 33.7 per cent advance, to $2.57bn, reflects renewed Japanese purchases of Iranian oil. Japan's sales to Iran, however, fell by over 37 per cent to $934m.

With the Japanese economy itself growing by only about 3 per cent in real terms last year, low by recent standards, few countries were able to increase their sales to Japan.

A notable exception was Italy, which recorded a 10 per cent gain to $941.57m, and actually enjoyed the rare luxury for a non-oil-producing country of a surplus on its trade with Japan, in this case of a modest $77m.

This, of course, is distorted by the long-standing Italian curbs on the import of certain Japanese products, most notably cars.

In product terms, the biggest Japanese import was, not surprisiugly, for fuels, almost half of the total import bill, with crude oil alone accounting for 35 per cent. However, both the volume and the value of oil imports in 1982 was below that of 1981, though coal imports were up noticeably.

As is evident from the state of the world economy, 1982 was not a banner year for Japanese exports. Major exceptions were office equipment, up 19 per cent to $3.14bn, construction and mining equipment 9.5 per cent higher at $1.88bn, and video and audio tapes, up 31.4 per cent to $1.36bn. Though sales of video tape-recorders rose to a record 10.6m units, the dollar value was only up by a mere 1 per cent at $5.48bn.

On the other hand, the big export earners, motor vehicles and steel, both under various forms of export restraints and both victimised additionally by the international recession, had indifferent years. Passenger car sales were down 2.3 per cent to $18.02bn, while steel exports, the surge to the Soviet Union notwithstanding, were off 6.1 per cent to $15.66bn.

Why Honda cars with BL badges are appearing in Australia

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

CARS BEARING BL's Rover badge have begun to emerge from Honda's Sayama plant in Japan.

But the arrangement is strictly for Australia, a country where more and more of the new cars are being supplied either from Japan or by Japanese companies.

BL's deal with Honda was sparked by the stringent restrictions on imports of built-up cars to Australia.

The quota for foreign-built cars in 1982 was 92,000 out of a market which totals about 450,000.

BL's quota was lifted last year (1982) by 1,000 cars to 3,400 but the company admits "not all the quota will be taken up."

So, in order to avoid having it cut again, Leyland Australia, BL's wholly-owned subsidiary, will this year import 1,000 "Rovers" from Honda.

The cars wil be no more than Honda Quintettes on which Rover badges will be stuck after they leave the production lines. Honda produced about 23,500 of the five-door, hatchback, 1.6 litre Quintettes in 1981.

The arrangement has its attractions for Honda. The Japanese company's quota for Australia is 2,000 cars. The Quintettes, which so far have not been sold there, will provide more servicing work for Honda's 200 dealers and will not count against its quota but against BL's.

The deal is by no means as unusual as it might seem at first sight.

For example, in Australia, Leyland is fitting a Japanese diesel engine to the Range Rover. When Leyland found the Range Rover required more power to cope with the long distances and relatively high speeds needed in the Australian outback, it began to install the 3.9 litre Isuzu diesel in some vehicles.

> BL emphasises that the arrangement between Leyland Australia and Honda for the Rover-Quintettes is 'an isolated project and does not in any way suggest closer or more substantive links between the companies.' However, the relationship between BL and Honda has blossomed since the UK group decided to make a car under licence in Britain and sell it as the Triumph Acclaim.

These versions account for roughly 10 per cent of the Range Rover production at Leyland Australia's Enfield plant.

The same plant is assembling the Peugeot 505 for the French group. Leyland took over this business when Renault, which previously had the contract, decided to quit Australia completely.

Other Peugeot models are being introduced at Enfield.

Leyland Australia's bus chassis division has links with another Japanese group and sells lightweight bus chassis from Hino as well as the heavier Leyland units.

Elsewhere in the world Land Rover-Leyland, BL's commercial vehicle arm, has similar arrangements. For example, it assembles Mitsubishi, Nissan and Volkswagen light commercials in various of its African facilities where these products—complementary to its own range—can be profitably introduced.

In 1981 Leyland Australia managed to hold its pre-tax profit at A$3.3m (£1.94m) compared with A$3.4m in 1980 despite a sharp fall in sales from A$190m to A$158.2m.

It sold 715 Jaguars, 628 Rover 3.5s and 233 TR7s, which were imported and 884 Range Rovers and 1,827 Peugeots which were assembled locally.

BL emphasises that the arrangement between Leyland Australia and Honda for the Rover-Quintettes is "an isolated project and does not in any way suggest closer or more substantive links

However, the relationship between BL and Honda has certainly blossomed since the UK group decided to make a Honda car under licence in Britain and sell it as the Triumph Acclaim.

The next step will be the formal signing next month of the deal which will involve the joint production of an executive car, code-named XX.

Fears over Soviet move on Gatt status

By Brij Khindaria in Geneva

SOVIET moves to seek observer status in the General Agreement on Tariffs and Trade (Gatt) are causing concern among the major Western countries which feel a Soviet presence in Gatt will bring unwelcome political tensions, making the organisation less effective as a promoter of world trade liberalisation

A Soviet delegation is expected to visit Geneva before the end of this month for further contacts with Gatt members to discuss observer status.

It will then decide whether to apply formally for such status, which would give it the right to attend all Gatt meetings and make statements. But, unlike full members, it would not be allowed to take part in Gatt decisions nor would it be obliged to obey Gatt's trade rules.

The U.S. and several EEC members will try to dissuade Moscow from making a formal application.

Observer

Although there is no precedent in Gatt for refusing a request for observer status, both the U.S. and the EEC have indicated they are determined to prevent a Russian presence.

The Soviet Union took most Gatt members by surprise recently when it contacted Mr Arthur Dunkel, Gatt's director-general, and delegation heads from major Western and developing countries to discuss procedures for becoming an observer.

Among other things, the U.S. and the EEC feel Communist states which are already full Gatt members — Yugoslavia, Romania, Cuba, Poland, Czechoslovakia and Hungary —will hesitate to speak their minds with the Russians looking over their shoulders.

The U.S. has, in the past, encouraged Eastern Europeans to enter Gatt as full members to wean them away from Soviet economic and trade domination. The U.S. also feels that the Russians may try to use Gatt to thwart Western trade sanctions.

It is feared that EEC members will be split over the issue with France arguing that Soviet presence in Gatt is desirable to tie the Russians more closely into the world trading system.

Most developing countries and several Western nations, including the Scandinavians and Canada, also feel the Soviets should not be rebuffed.

Aerospatiale wins £12.5m order from Ireland

BY DAVID MARSH IN PARIS

AEROSPATIALE, the French national aerospace group, has signed an order worth around FFr 140m (£12.5m) at current prices to supply five helicopters for the Irish Ministry of Defence.

The contract, for the company's "Dauphin-2" machines, will increase Ireland's helicopter fleet for patrolling its 200-nautical mile economic sea zone and for search and rescue work. Aerospatiale won the order against international competition, with the chief rival believed to be Westland.

Two of the machines will be deployed with the Irish navy and the other three used from ground bases.

The helicopters will not be delivered for at least two years, with supply dates ranging between December 1984 and February, 1986. The current price of around FFr 27m to FFr 28m for each machine will be upvalued to take account of economic conditions in later years.

Aerospatiale has a long history of supplying helicopters for the Irish military

Brazil plea on steel dumping inquiry

By John Wyles in Brussels

A PLEA for a generous 1983 EEC import quota for Brazilian steel and an end to an anti-dumping inquiry against his country's steel producers was made in Brussels yesterday by Sr Camilo Penna, Brazil's Industry Minister.

He made an explicit link between Brazil's struggle to meet its heavy debt obligations and its overriding need to maintain export markets during talks with Mr Willy Haferkamp and Viscount Etienne Davignon, the EEC's Commissioners for External Relations and Industry.

However, neither Commissioner held out much hope of major concessions to Brazil. The EEC has been applying quotas to imports of Brazilian pig iron since 1977 and is proposing this year to extend restrictions to virtually all categories of Brazilian steel in line with import restraint agreements being negotiated with 13 other third country producers.

On the anti-dumping case—which was triggered by a surge in Brazilian general steel exports to the EEC from 39,000 tonnes in 1981 to 365,000 tonnes last year—the Commission explained that a complaint had been lodged, and that it was legally bound to apply anti-dumping duties according to objective criteria.

Swiss car imports fall

SWISS car imports dropped last year for the first time since 1975. According to the Association of Swiss Car Importers (VSAI), the total of 291,539 vehicles was only 0.6 per cent lower than the previous year's record, John Wicks writes from Zurich.

Within the overall figure, West Germany increased its market share from 39 to 41.4 per cent in 1982, with Opel and Volkswagen as the leading brands on the Swiss market.

BASE LENDING RATES

A.B.N. Bank	11 %	■ Hambros Bank	11 %
Allied Irish Bank	11 %	Hargrave Secs. Ltd.	11 %
Amro Bank	11 %	Heritable & Gen. Trust	11 %
Henry Ansbacher	11 %	■ Hill Samuel	§11 %
Arbuthnot Latham	11 %	C. Hoare & Co.	†11 %
Armco Trust Ltd.	11 %	Hongkong & Shanghai	11 %
Associates Cap. Corp.	11 %	Kingsnorth Trust Ltd.	12 %
Banco de Bilbao	11 %	Knowsley & Co. Ltd.	11½%
Bank Hapoalim BM	11 %	Lloyds Bank	11 %
BCCI	11 %	Mallinhall Limited	11 %
Bank of Ireland	11 %	Edward Manson & Co.	12 %
Bank Leumi (UK) plc	11 %	Midland Bank	11 %
Bank of Cyprus	11 %	■ Samuel Montagu	11 %
Bank Street Sec. Ltd.	10½%	■ Morgan Grenfell	11 %
Banque Belge Ltd.	11 %	National Westminster	11 %
Banque du Rhone	12 %	Norwich Gen. Tst.	11 %
Barclays Bank	11 %	P. S. Refson & Co.	11 %
Beneficial Trust Ltd.	12 %	Royal Trust Co. Canada	11 %
Bremar Holdings Ltd.	12 %	Roxburghe Guarantee	11½%
Brit. Bank of Mid. East	11 %	Slavenburg's Bank	11 %
■ Brown Shipley	11 %	Standard Chartered	‖11 %
Canada Perm't Trust	11½%	Trade Dev. Bank	11 %
Castle Court Trust Ltd.	11½%	Trustee Savings Bank	11 %
Cayzer Ltd.	11 %	TCB	11 %
Cedar Holdings	11 %	United Bank of Kuwait	11 %
■ Charterhouse Japhet	11 %	Volkskas Intl. Ltd.	11 %
Choulartons	11½%	Westpac Banking Corp.	11 %
Citibank Savings	¶ 9 %	Whiteaway Laidlaw	11½%
Clydesdale Bank	11 %	Williams & Glyn's	11 %
C. E. Coates	12 %	Wintrust Secs. Ltd.	11 %
Comm. Bk of N. East	11 %	Yorkshire Bank	11 %
Consolidated Credits	11 %		
Co-operative Bank	*11 %		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	11 %		
E. T. Trust	11 %		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	12½%		
Robert Fraser	12 %		
Grindlays Bank	‡11 %		
■ Guinness Mahon	11 %		
Gulf G'tee Trust Ltd.	12 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8%, 1-month 8.25%. Short-term £8,000/12-months 10.6%.
† 7-day deposits on sums of: under £10,000 8%, £10,000 up to £50,000 8¼%, £50,000 and over 9¼%.
‡ Call deposits £1,000 and over 8%.
§ 21-day deposits over £1,000 9%.
‖ Demand deposits 8%.
¶ Mortgage base rate.

UK NEWS

THE SERPELL REPORT

Anxieties remain for railway chiefs

THE DECISION by Mr David Howell, Transport Secretary, to set up the Serpell review, followed nearly 18 months after a request for one was made by Sir Peter Parker, British Rail chairman.

British Rail wanted a review of its objectives and financial framework in the hope that this would sort out what it termed the "mismatch between the political, economic and social constraints, between short-term pressures and long-term planning."

Sir Peter had spoken frequently about what he called "the crumbling edge of the railways," referring to the problems of running the present network within tight financial constraints.

His hope was that the report of the review committee would endorse much of his plan for a modern, electrified, cost-effective railway, as set out in the BR Board's document in March 1981 "Rail Policy."

His concern that new terms of reference be drawn up for the railways was shared by some senior officials in Whitehall, and also by Mr Howell, although Whitehall was much more inclined to stress the need for efficiencies than BR.

Between the time that the initial request was made for a review, and the publication of the report yesterday major events have changed the position of BR.

The recession began to hit passenger business towards the end of 1981 – freight had already been badly hit – while the past year saw strikes on the railways which were the worst since 1926.

These events have shaken confidence in BR, and must have been a significant factor in the production of a predominantly negative report as far as BR is concerned. BR's fear is that there is plenty in the majority Serpell and the minority report by Mr Alfred Goldstein to support the views of the anti-rail lobby that BR is inefficient and takes too large a slice of public money.

There is little, on the other hand, to encourage those who believe that the role of the railways should be strengthened. For BR, it is a thoroughly bad report, and for the Government, it perhaps leaves as many questions unanswered.

Heavy cuts in rail system ruled out by Transport Minister

BY HAZEL DUFFY AND IVOR OWEN

HUGE CUTS in the British Rail network – outlined in yesterday's Serpell review as the most radical option – were later ruled out by Mr David Howell, Transport Secretary, in a statement to the House of Commons.

Mr Howell sought to allay fears expressed by Tory MPs from Scotland and south-west England alarmed by the political consequences if passenger and freight services in their areas should be threatened. He made clear that the report, published yesterday along with the minority report of one member of the four-strong committee, required a period of study which will extend beyond the coming general election.

The report of the Government-appointed committee chaired by Sir David Serpell brought little comfort to the board of British Rail, whose chairman, Sir Peter Parker, had pressed for an independant review of British Rail finances to be set up.

It makes no clear-out case for the investment funds that Sir Peter Parker had hoped to get from the Government, and rejects some of the board's pleas that more money is desperately needed for items such as renewal of track.

The report also contains a series of optional network sizes, including one which would shrink the network to about 15 per cent of its present size.

Mr Howell said yesterday that the Government's current policy of not wishing to see "substantial" rail closures would be maintained until a careful re-examination of the financial prospects for the railways, which would include consideration of the valuable information provided in the Serpell report, had been completed. He promised MPs that any change of policy would then be announced to the House of Commons.

Sir Peter Parker tried to mask his disappointment over the report yesterday by emphasising the few parts which could have a positive impact on British Rail, and stressing that it at least opens up the debate on the future of the railways. He called for the Government to make a decision on the size of the network following the public debate. "I never expected to get a fat cheque from the Government, but there is a window here. Let us get through it."

On the report's criticisms of certain management procedures at British Rail, particularly planning and engineering functions, Sir Peter Parker said: "We live in a kind of climate of insult," but added: "What is not very attractive is loose talk about management competence."

Reaction to the report from some bodies was more expressive. Mr Russell Tuck, acting general secretary of the National Union of Railwaymen, said: "I cannot understand how intelligent people could produce such a stupid report. For the travelling public, the railway industry and the community as a whole, the report is a disaster. Whole sections of the country could be robbed of services, fares massively increased and thousands of jobs lost."

Sir Peter Parker: 'I did not expect a fat cheque'

Shipbuilding unions told more than 2,000 jobs must go

BY DAVID GOODHART, LABOUR STAFF

BRITISH SHIPBUILDERS (BS) yesterday announced more than 2,000 redundancies by the end of March and warned the shipbuilding unions that there could be a further round of major job cuts by the end of the year.

BS said the immediate redundancies, concentrated in the North East of England might have to be compulsory if a sufficient number of volunteers could not be found. The unions will see that as a breach of a 1979 agreement with BS which they have always interpreted as guaranteeing no compulsory redundancies.

The redundancies and the proposal from Sir Robert Atkinson, chairman of BS, that "there should be a total wage freeze within the industry in order to contain costs" were immediately condemned by a delegate conference of the Confederation of Shipbuilding and Engineering Unions (CSEU) in Tynemouth.

Mr Jim Murray, the union's chief shipbuilding negotiator, said: "We may well be on a collision course." Many delegates have rejected even voluntary redundancies, but the full union response will not be known until a further delegate conference on February 17.

A national strike is thought unlikely, but Mr Alex Ferry, general secretary of the CSEU warned the conference yesterday that a further 30,000 jobs were at risk over the next few years.

Announcing details of the redundancies yesterday, BS said that 1,837 jobs would have to go, plus about 460 short term workers mainly at Swan Hunter in Wallsend.

In the merchant shipbuilding sector 200 jobs will go at Austin and Pickersgill in Sunderland; 415 at Sunderland Shipyards; 30 at Clelands Shipbuilders in Wallsend; 500 at Swan Hunter at Wallsend; 32 at Smith's Dock in Middlesbrough.

In the warship building sector 99 jobs are to go at Vickers Shipbuilding and Engineering in Barrow; 227 at Vosper Thorneycroft (UK) Ltd in Portsmouth and Southampton.

In the engineering sector 11 jobs go at Wallsend Slipway Engineers; 94 at Blackwall Engineering, Poplar, London, where BS are in negotiations on a possible sell-off; and 229 at Wolsingham Steel in Co Durham – which will close completely.

Mr Atkinson said that additional earnings could come about only through real improvements in productivity. He said: "The cost-price gap has to be bridged if we are to survive, and there is simply no prospect of asking the Government for yet more subsidy to finance wage increases in a lossmaking corporation."

BS lost £19.8m last year, and £28m in the first half of this year. It has shed about 28,000 jobs since it was nationalised in 1977, and the total workforce now stands at 65,000.

Mr Maurice Phelps, industrial relations director at BS said: "We must control our labour costs and improve our productivity. The state of shipbuilding throughout the world is pretty grim, and in order to produce stable employment we have to make sure we are competitive. Further redundancies cannot be ruled out." BS estimates that productivity in Japan and the Far East is between two and two-and-a-half times higher than in Britain.

Unions fear that a further round of cuts could lead to complete closure of the Scott Lithgow yard and major cuts at the Govan yard in Scotland. Mr Jim Murray said: "We believe a saturation point will come when no more voluntary redundancies will be possible. We are in danger of falling below the core level of shipbuilding jobs required by this nation."

The unions want increased Government aid in the short term, the introduction of a scrap and build programme and financial incentives to British ship owners to buy British.

There has been only one previous attempt by BS to push through compulsory redundancies – at the Robb Caledon Yard in Dundee in 1981. That led to national action which got only half-hearted support.

BS say the 1979 agreement does not guarantee no compulsory redundancies. The relevant passage reads: "Until all alternative avenues have been exhausted there will be no compulsory redundancies declared, and then not without further consultations with the shipbuilding negotiating committee."

The shipping crisis, Page 13

CUTS IN SHIPYARD WORKFORCE TO END OF MARCH, 1983

Merchant shipbuilding	
Austin and Pickersgill, Sunderland	200
Sunderland Shipbuilders, Sunderland	415
Clelands Shipbuilders, Wallsend	30
Swan Hunter Shipbuilders, Wallsend	500
Smith's Dock, Middlesbrough	32
Warship Building	
Vickers Shipbuilding, Barrow	99
Vosper Thorneycroft (UK), Portsmouth and Southampton	227
Engineering	
Blackwall Engineering, Poplar, London	94
Wolsingham Steel, Wolsingham	229
Wallsend Slipway Engineers, Wallsend	11
Short time workers (mainly Swan Hunter)	460
Total	2,297

900 face redundancy in closure of Thames Board mill

BY OUR LABOUR STAFF

THAMES BOARD, the board and packaging subsidiary of Unilever, is to close its mill at Warrington, Cheshire, with the loss of 796 jobs. The decision is blamed on mounting losses and a dismal trading projection for the next 12 months.

Union representatives said a considerable number of contract workers and ancillary staff who worked at Warrington would also be losing their jobs. This would push total job losses above 900.

The company's board-producing plants at Purfleet, Essex, and Workington, Cumbria, which employ a further 1,400 will not be affected.

Thames Board, which claims to be Britain's largest board maker, said the Warrington mill had a capacity of 145,000 tonnes of waste-paper-based packaging board, but output last year was only 102,000 tonnes.

The paper and board industry has been hit by high energy costs, high interest rates, imports from Scandinavia and the EEC and overcapacity in some sectors during the recession.

The St Ann's board mill at Bristol which is partly owned by Imperial Tobacco closed a year ago. Thames Board itself shut a mill at its Purfleet site last year.

POINTS FROM THE MAJORITY REPORT

Board's investment plans rejected

THE SERPELL report emphasised the huge scale of railway activities in Britan – a basic network of nearly 11,000 route miles with expenditure of £2.5bn in 1981 and passenger journeys of nearly 2m a day, Monday to Friday.

Nevertheless, the importance of the system within the national economy had declined, it said. In 1980, the railway carried only about 54 per cent as much freight (by weight) as it did in 1950; and while total passenger travel (by rail, bus and car) nearly trebled between 1950 and 1980, rail passenger miles decreased marginally.

- Investment: The Board's investment plans were not endorsed. On two main items of infrastructure investment – continuous welded rail and signalling – it suggests the expenditure between 1983–86 need not be as much as planned. The "high investment" railway, as proposed by the board was tested by consultants. The result: "The improvement that would be secured in operating results would not be sufficient to justify the increased investment."
- Cost savings: Savings resulting from recommendations in the report are put at about £220m a year. They made no allowance for transitional costs, such as redundancy, which the committee said "could be substantial."
- Main line Inter City routes were unlikely to reach their target of viability by 1985. There were two options: progressive closure of services with the worst results, or grant-aiding the sector.
- London and the South East: There was little prospect of commuter traffic growth, but there might be potential for raising revenue by reducing discounts on season tickets and perhaps going for a "real" increase in fares.
- Provincial services: This sector, covering all passenger services not classified as Inter City or London and South East, was the biggest loss-maker. Cost savings were advocated, but the sector would continue to need financial support of about £450m a year in the absence of cuts in size and the level of services.
- Freight: The committee saw a reasonable prospect of the business breaking even by the mid-1980s.
- Maintenance: Recommendations were made for cost savings and the report rejected British Rail's assertion that a sizeable backlog of track renewals was accumulating.
- Advanced Passenger Train: It was recommended that three competing vehicles should be assessed with a view to an investment decision in two years' time. Meanwhile the APT should be remitted to Research and Development.

THE MINORITY REPORT

Decisions needed on size of network

THE MINORITY report by Mr Alfred Goldstein is written in a more direct manner, addressing itself more to the need for a political decision to be made on the size of the network, from which, he said, other policy decisions would follow.

He supported much of the majority report but said his dissent related to "their approach to the discharge of our task ... the real issue is what size and quality of railway should the nation decide to support, having regard to the many demands on taxpayers' money.

Mr Goldstein had little time for British Rail planning procedures – at one point he said it was in "severe disarray." For this reason, he could not bring himself to take too seriously the Rail Plan to 1986 and the "further initiatives," which could save BR £147m a year, that were advanced by Sir Peter Parker, the BR chairman, to the committee.

"The Plan is not a Lego kit, to which arbitrary additions, taken from possible future plans, can be made."

He was careful not to recommend any particular size of network, although he made the point that "substantial savings could be made by small reductions of service and network."

The obvious targets for cuts were the provincial services, which, as shown by Serpell, were very heavily subsidised. "Ultimately, if change is desired, the trade-off may be between a larger railway operating under severe investment constraints or a rather smaller railway at a high quality of service to the customer.

"The latter, involving higher investment, could provide benefits when viewed on a national basis, not least in employment resulting from such investment."

In spite of sharp criticism of the rail management and its forward planning, Mr Goldstein agrees that "the necessary change to a more businesslike approach has begun: if this is sustained and if the Government plays its part by defining with greater clarity the policy objectives, then the railway can be a vital organisation serving a useful role."

UK NEWS

Peace hopes rise as national water strike deadline nears

BY PHILIP BASSETT, LABOUR CORRESPONDENT

MRS Margaret Thatcher, the Prime Minister, yesterday called on Britain's 29,000 water and sewerage workers to withdraw from their threatened strike, which is due to start at midnight on Sunday. If it takes place, it will be the first national water strike in the UK.

The dispute is between the employers, represented by the National Water Council (NWC), which has offered a 4 per cent pay rise, and the unions, which are claiming 15 per cent. An overtime ban began earlier this week. Last night, hopes rose that the employers and union leaders might be moving closer to an agreement.

Mrs Thatcher's first comments about the threatened strike were made in the House of Commons. She said that there was an agreement in the water supply and sewerage industry to solve disputes through arbitration, with the result binding on both sides.

She told MPs: "The employers and unions are at present negotiating through the Advisory, Conciliation and Arbitration Service (Acas). I hope the negotiations will be successful and they will withdraw the threat to strike."

Mr Michael Foot, the Labour leader, urged the Government to give "fair treatment" to the water workers. Mr Teddy Taylor, a Conservative MP, proposed that a Royal Commission should be set up to make recommendation for no-strike agreements covering all public service workers.

Despite the party's election manifesto pledge to seek such agreements, Mrs Thatcher told him that they "tend to be very expensive."

The House of Commons exchanges came as Acas officials brought together under one roof, for the first time since November, representatives of both the National Water Council and union leaders. Having met first the employers and then the unions separately, Acas invited the NWC back for further separate discussions.

Acas officials stressed that the presence of both sides should not be taken as an indication that they would come face to face. However, it seems likely that a formula was being put to both parties to be placed in front of separate meetings today of the full negotiating teams of both sides.

If they agreed with its provisions, proper negotiations could begin later today, still leaving time for a settlement to be reached before the strike deadline.

The Government and the regional water authorities have prepared contingency plans to deal with the effects of the strike, should it go ahead.

The Government's plans are prepared by the Civil Contingencies Unit (CCU), a division of the Cabinet Office chaired by Mr William Whitelaw, the Home Secretary. The plans, codenamed Operation Keelman, will give first priority to protecting public health in hospitals and towns, and second priority to food production.

Operation Keelman involves the use of about 15,000 troops, including drivers, technicians, command and control staff, and soldiers on general duties. To deal with a strike, the Government would almost certainly have to proclaim a state of emergency under the Emergency Powers Act 1920.

Regional water authorities are in the main wary about use of the military, preferring to see it as a political decision

Thatcher calls trade imbalances 'grotesque'

By Kevin Brown

THE GOVERNMENT will continue to press Japan, Spain and the European Community for action to relieve "grotesque" trade imbalances, Mrs Margaret Thatcher, the Prime Minister, told the House of Commons yesterday.

Mrs Thatcher was asked by Mr Michael Latham, a Conservative MP, what progress had been made in correcting "unsatisfactory" trade imbalances.

Mrs Thatcher recalled that Japan had announced measures intended to relax some trade barriers. These changes were welcome, but their impact was likely to be small in relation to the size of the trade imbalance.

EEC talks had been taking place with Spain over the past six weeks and a report was due before the end of January.

Mr Latham said: "We have been much too patient. We should tell some of these countries that if they do not do something about it soon we shall retaliate in kind."

Mrs Thatcher agreed that there were "grotesque differences" in trading volumes. She told MPs: "We were very firm with the European Community and took steps to speed up negotiations which had been going slowly. I believe our representations have had some effect, and we shall continue to press them very hard."

Mrs Thatcher was urged by Mr Arthur Lewis, a Labour MP, to repudiate criticism in the European Parliament of her "buy British" appeal to consumers before Christmas.

Revival in spending on consumer goods starts to slow down

BY JEREMY STONE

THE PACE of recovery in consumer spending on durable goods began to slacken in the final quarter of 1982, according to government figures released yesterday. At the same time, the Government's leading indicators – which aim to detect any approaching uplift in the economy – both turned downwards.

Consumer spending rose in the last three months of the year by about 1.6 per cent over the third quarter. Buoyant trade in the shops was the main force behind this increase, although motor registrations imply that there was also a slightly higher rate of spending on cars.

However, spending on durables, including cars, did not continue to grow as fast as in the September quarter, when it jumped by a seasonally adjusted 12 per cent. In the three months to December, this type of spending increased by only another 5 per cent or so.

Expenditure on durables for the whole of 1982 nevertheless finished some 6 per cent higher than the total for 1981. At constant 1975 prices, consumers' expenditure rose by only 0.97 per cent last year, chiefly because they spent less in real terms on drink, cigarettes and (to a lesser extent) on food.

It is the slackening rate of improvement in demand for durables which, indirectly, caused the shorter leading cyclical indicator to fall in November. Despite a higher level of car registrations, the growth in consumer credit became less hectic, once the summer's boost to hire purchase (after the removal of controls) had worked through.

The longer leading indicator – focused roughly 12 months ahead – fell in December because interest rates were rising and share prices falling.

Hoechst to sell Optrex

BY CARLA RAPOPORT

HOECHST, the West German chemical company, is negotiating the sale of its UK over-the-counter drugs subsidiary, Optrex.

Based at Basingstoke in Hampshire, Optrex has sales of about £8m annually. It is among the brand leaders in UK proprietary health care, with such products as Optrex eye lotion

Only a year ago, the company announced a 10-year expansion programme, involving a total investment of about £15m. At that time the company aimed to quadruple its turnover by 1990.

Hoechst UK refused comment on the sale yesterday, saying the company was "currently in negotiation" with a potential purchaser. Likely bidders for Optrex are thought to include Boots, Beecham, Sterling Health or Optrex's own management.

Hoechst UK bought its first stake in Optrex in 1975 from Roussel-Uclaf, the French pharmaceutical group. In 1981, Hoechst bought the remaining stake in Optrex. The subsidiary is Hoechst's only interest in over-the counter medicines in the UK.

Agent predicts radical change in the world property market

BY WILLIAM COCHRANE

UNSTOPPABLE changes will have a dramatic effect on the world property scene, Mr James Croft, international partner at London agents Richard Ellis, said on the second day of the Financial Times international property conference in London yesterday.

The changes, Mr Croft said, included the switch away from heavy industries, a shift of industrial production to the eastern hemisphere, modern technology and the reducing size of the average household.

He set these changes against three other issues affecting international real estate investment: the need for growth in occupational demand, rental and capital values; the attraction of economies flexible to change; and the range of yields on office property, ranging from 4 per cent in Tokyo to 15 per cent in Lagos.

Mr Croft drew up a short list of countries – including nations in North America and Europe with Australia and Singapore – which enjoyed an investment market and political stability, and were not overburdened by foreign exchange and investment controls or taxation difficulties.

He said certain large U.S. investors were implementing changes already.

Mr John White, chairman of Landauer Associates, U.S., spoke of the American outlook for 1983. "The best news for real estate is the combination of increased capital availability for equity and mortgage purposes and the expectation of sustained lower interest rates."

The problem was that the improvement might be very short-lived, he said. Excessive federal debt requirements from mid-1983 on might crowd capital markets to a point where inflation and interest rates rose, because private and government sector needs could not effectively be met.

Mr White added that the real-estate market appeared to be stabilising after a turbulent year in 1982.

"A chief characteristic of the past year was buyer caution in the face of declining rents and uncertain economic prospects," he said. "That mood of caution has been tempered by declining interest rates, reduced anticipation of inflation, possible lower required rates of return, and a greater availability of capital from both traditional and new sources."

Mr White referred to the "bleak" office market picture. "The mitigation is that developers have more cash in their properties now than in the disastrous 1974–76 period." He said that many would still find it difficult to avoid foreclosure and that there would also be a severe lender clampdown in over-supplied areas.

Central business district offices in areas least affected by oversupply should be the favourite institutional investment. Most institutional money would be invested in existing properties, Mr White said. "Little if any will go into development properties, except to finish what has already been started."

FINANCIAL TIMES INTERNATIONAL PROPERTY MARKETS CONFERENCE

Mr David Crawford, chairman of the Canadian A. E. Le Page Capital Management Services, warned of the effects in Canada of inflation, recession, falling real-estate values and rents and a "crippled" development industry.

However, he added: "Yields are still good, interest rates are down and the selection is improved. The Canadian markets are disturbed and the disruption can provide that window of opportunity at a time when recovery is clearly on its way in 1983 and 1984."

He felt that foreign investors should look at Toronto and Vancouver and should bid on office building projects in those cities. The more experienced foreign investor, he said, "should try to buy office building sites in these two cities for future development two or three years from now."

Mr Chris Bull-Diamond, partner in Weatherall Green & Smith, Frankfurt, emphasised the stability of the German Federal Republic and its property markets.

In the mid-1970s, when investment markets worldwide were depressed, few prime properties in West Germany changed hands to show an incoming purchaser a return of better than 5¾ per cent to 6 per cent, he said.

If a vendor's price was not realised, the property was quietly withdrawn from the market until conditions improved, and very few forced sales of prime properties were encountered.

"Today, on the other hand, with the strong demand for prime investment properties, few prices have edged below the 5 per cent level and the main German institutional investors appear reluctant to compete yields down any further," Mr Bull-Diamond said.

He also noted that over the past 10 years, the D-Mark had appreciated by 79 per cent against the French franc, 97 per cent against sterling, and 36 per cent against the U.S. dollar.

In summarising the main aspects of property investment in West Germany, he made five other main points:

- There was a spread of economic activity throughout the country, with good investment opportunities over a wide geographical area;
- The form of lease contracts typically adopted gave the investor security and the ability periodically to adjust rentals in line with inflation in market growth;
- There was no discrimination against the foreign investor;
- Investment in retail property had generally performed well since the mid-1970s, but timing of purchase had been all important in the acquisition of office investments;
- Development schemes initiated today appeared to have strong profit potential.

Mr Miles d'Arcy-Irvine, the Paris-based European partner of Jones Lang Wootton, believed that there were "very special opportunities" coming in the French property investment market.

Uncertainty, he said, had prevailed since the 1981 presidential and general elections. The Government was also encouraging the institutions to invest in other areas of the economy to create employment.

Interest rates had remained high and this had attracted institutional funds into the bond markets. These circumstances, which had made developments in Paris difficult, remained operative, leading to upward pressure on rents.

Paradoxically, Mr d'Arcy-Irvine said, the French property investment market was currently weak, partly for the same reasons which applied to the development side of the equation. In addition, foreign investors were largely absent from the market because of the uncertainties of the franc.

Henlys to rent with Europcar

By Kenneth Gooding

HENLYS, the motor retailing group, is to switch 26 of its car rental offices to Godfrey Davis Europcar, the Renault subsidiary.

Europcar claims that this will take the number of its UK locations to nearly 300, "three times the size of our nearest rivals."

The deal includes a provision for Henlys to supply any new Renault cars which Godfrey Davis Europcar might buy for its fleet. This year, this will involve about 1,000 Renaults out of the 7,000 new cars, mainly Fords, that the company will buy.

Mr Tony Ball, Henlys chief executive, said that the link with Europcar would add an international dimension to his group's rental business.

It would also enable the Henlys outlets to supply the full range of vehicles provided by the Europcar fleet, rather than from the one franchise held by each individual outlet. He said this should not only provide a better service but make it more attractive for customers.

Mr Cecil Redfern, chairman of Godfrey Davis Europcar, said: "The size of the Henlys organisation and the scale of its penetration of numerous local markets makes this one of the most important developments in the domestic car rental market, which will further increase our already dominant share of the car rental business."

Renault bought Godfrey Davis's car rental activities – it claims to be Britain's longest-established car rental operator – in 1981 for £22m.

The French group's Europcar subsidiary says it has the third largest car hire network in the world with more than 2,500 locations in 101 countries.

Meanwhile, Avis Rent a Car has placed an order worth more than £20m for 4,000 Ford vehicles to be delivered during 1983. The order is for 1,300 Sierras and an almost equal number of Fiestas and Escorts.

- FIAT Auto (UK) expects to reverse the long slide in its UK market share this year with a series of model launches in the next few months. The most important model, the Tipo Uno small hatchback replacement for the 127, was unveiled by Fiat Auto's Turin parent on Wednesday.

Fiat Auto hopes that when the Uno arrives in the UK in the spring it will fulfil the same kind of role as the 127 during the 1970s, when at one time, Fiat claims, it was Europe's best-selling car.

Until 1978, Fiat and its sister company Lancia held nearly 6 per cent of the UK new car market.

TECHNOLOGY

EDITED BY ALAN CANE

TRADING

Computer system for spot basis dealing

A COMPUTER system for buying and selling chemical products on a spot basis has been launched by I. P. Sharp Associates. This will allow chemical producers, traders and consumers to trade on a world-wide basis.

The service, to be known as the Electronic Markets and Information System, will be operated by McGraw-Hill in a joint venture with I. P. Sharp.

Subscribers have access to the system through computer terminals linked into I. P. Sharp's communications network which spans 500 cities worldwide.

At present there are 13 subscribers to the system. They are able to make bids for buying and selling anonymously if they wish.

The trading list contains nearly 40 types of chemicals and chemical feedstocks including Benzene, Butane, Vinyl Chloride and various polymers.

INSULATION

Pipe material

DUNLOP SEMTEX has developed Dunlotherm '0,' a pipe insulation material claimed to be the first of its kind to combine the benefits of flame retardacy with flexibility.

Until now, says the company, all pipe insulation products offering significant flame retardacy have been rigid. The new material is treated, by a patented process which ensures that it will not support flame (as tested to BS 476 Part 7) and conforms to Class 0 of the Building Regulations, Section E 15.

MARKET LEADER IN PERSONAL COMPUTERS' REVOLUTIONARY AND COSTLY MACHINE

Apple's 'Lisa' takes the stage

BY LOUISE KEHOE IN SAN MATEO

AFTER MONTHS of rehearsals with small audiences, Apple Computer this week pulled back the curtains and presented its new computers to the world at a standing room only annual stockholders' meeting.

Star of the show was "Lisa"—a new machine glittering with features unmatched by its rivals. Lisa's $10,000 price tag, however, gave it an untouchable quality for many observers.

The second act—the Apple IIE—was an old time favourite, back by popular demand. One of the earliest commercially produced personal computers, the Apple II is still among the top sellers.

Apple promised that it would introduce a "revolutionary" personal computer, and with Lisa, most agree that the company has delivered. Lisa fulfils Apple President Mike Markkula's dream of a computer that can produce useful work for a new owner in less than half an hour.

Tests with hundreds of people show that the average learning time on Lisa is only 24 minutes. Most personal computers (including Apples) take as many days to become more than a mystery for computer novices.

Achieving that goal has not, however, been easy. The company spent three years and $50m on the Lisa development. Now industry sceptics wonder if the company has bitten off more than is necessary for the sake of innovation.

Using Lisa is a new experience even for the regular personal computer user. It is like switching from a standard motor car with manual gear change to an automatic with cruise control, electric windows and power brakes—practically all that is left for the driver to do is to choose his speed and steer the car.

For the beginner, "driving" Lisa will be dramatically easier than getting to know any other personal computer. Ironically, just as it is difficult for the long-time driver to adapt to a new car, it will require a willingness on the part of those familiar with personal computer methods—including computer dealers—to take to Lisa.

Lisa is, however, designed for the very specific market among executives who have no prior experience of using personal computers. Apple reckons that there are 30m such people in the U.S. and a similar number in Europe in small, medium and large companies.

"Lisa is for the professional 'knowledge worker' who does not want to go through the humiliation of learning how to use a personal computer in front of his peers," says Mr Barry Smith, Lisa Software Marketing Manager.

Apple calls Lisa the "personal office computer." It is a productivity tool for executives. "Lisa will open up the high end of the personal computer market," says Portia Issacson of Market Researchers Future Computing. Lisa overcomes the reluctance of professionals to face a keyboard with a "mouse" a little hand-held device that the user guides on the desk top to move a cursor on the screen. The mouse has a single push button that initiates functions that the cursor points to.

On Lisa's screen are displayed pictures of a waste basket, a clipboard on which to hold pending items, a folder to file documents away in, a memo pad, and more. "We have tried to model Lisa's functions on traditional office routines," says Mr Smith.

Following that model, Lisa can perform several functions simultaneously. Its integrated software also allows for swopping of data from, for example, a spread-sheet calculating program, into a graphics program. Graphics and text can easily be combined on one document too.

Lisa will be available in the U.S. and UK in June, says Apple. The system will be bundled into a package that with the 16/32 bit computer, a keyboard, monitor, and two high-capacity floppy disk drives. Included in the price will be a hard disk unit with a capacity of five megabytes. The mouse, and six software applications packages. Apple has however continually changed its mind about the exact configuration of Lisa, right up to a few days before its launch.

It is Lisa's software, rather than hardware, that makes it special, however. All Lisa's programs are new. But Apple II programs can be run on the new machine. Apple will also support two standard operating systems—Zenix (a version of Bell Labs' Unix) and CP/M that will make the new machine compatible with programs written for use with those systems.

Lisa's own system software has been created at Apple and will remain proprietary. Apple has, however, handed over "tool kits" to enable third party software houses to produce more programs for Lisa. Lisa's operating system enables the machine to switch data from one application to another by providing an integrated software environment.

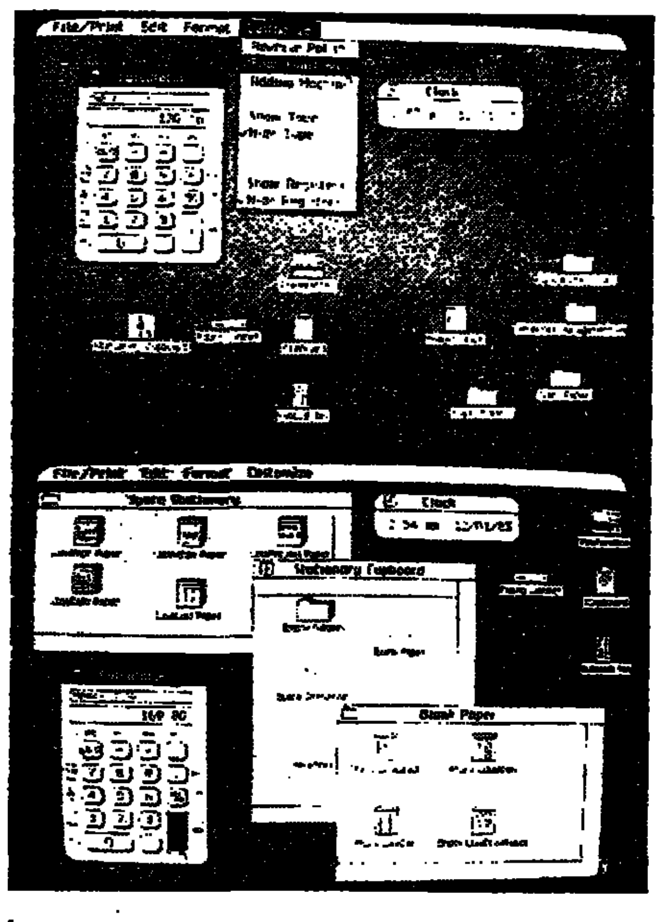
Lisa's basic software will include word processing, a spread-sheet program, a business graphics program and a personal filing system. Two important programs are however added to the usual selection—Lisadraw and Lisaproject.

Lisadraw is a tool for creating pictures and diagrams. It allows the user to edit graphics in the same way that text can be manipulated. Flow charts, technical diagrams, maps, pictures and the like can be created in minutes and then printed out. The program provides a menu of boxes, circles and free-drawn lines that can be used to build up pictures.

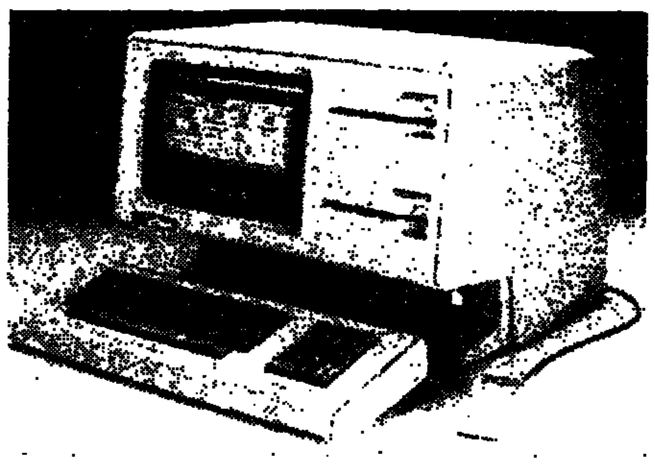
Lisa Project is a visual project management tool that helps a manager to schedule and track complex projects. "This program is the first of its kind and will become as popular as spread-sheet or word processing applications," predicts Portia Issacson.

In contrast to Lisa, Apple IIE offers the consumer little that is new. The IIE is an update of the Apple II plus design. Memory capacity is increased to 64K. The keyboard has been changed and can be switched between two languages—English and German for example, and for the first time the Apple II has upper and lower case display capability built-in.

In terms of hardware and manufacturing technology, Apple IIE is far in advance of Lisa. However, the 110 integrated circuits of the Apple II plus boards have been reduced to only 31 for the IIE. That along with changes in the construction that make the new version much faster—and ultimately cheaper—to make represent a major step forward for Apple. In the long term manufacturing technology may be more significant for Apple's success than its software innovation.



Above, Lisa users see on the screen a representation of a desk top. It includes simple pictures of things they commonly work with, such as folders and documents. Below, the new Apple Lisa desk-top personal office system.



Controls

Solid state package

LIMITORQUE of Newbury in Berkshire (0635 42297) believes that it is the first valve actuator manufacturer to produce a truly solid state control package which fully replaces conventional electromechanical integral reversing controls.

Basically, a three-phase induction motor is driving the stem of, say, a butterfly valve through reduction gearing and the motor, in turn, is controlled by a triac-based stop, start and reverse circuit.

Circuits

Subsidiary output shafts from the gearbox act on torque and limit switches that are Hall effect based, their signals being fed to the logic circuits in the triac controller. These logic circuits also respond to "open," "close" and "stop" commands produced manually or from a remote location via a control line. Completely safe operation of the valve results.

Coils

Elasticated twine

A MACHINE designed to overcome the problem of tying and securing coils, cable rubber or plastic hose is now being marketed by Calvert Machinery (tel: 0628 72067). This machine is the Siebeck Ringsbinder which uses elasticated twine tying material to ensure that the coil is held tightly together.

MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

Why a stores group lost its way in the High Street

David Churchill analyses the problems of UDS, currently the subject of a £190m takeover bid

WHAT has gone wrong at UDS?

The group is not only one of Britain's largest retailers but also one of its most troubled, outranking probably even the much-maligned Woolworth chain in the range of its problems.

In brief the answer is that UDS, whose retail tentacles stretch into virtually every *High Street in the country* (under such guises as John Collier, Richard Shops, Timpson Shoes, Orbit, and Allders) is a group that has lost its way in the retail world over the past decade. In the process it has made virtually every retailing mistake in the book.

It is now fighting vigorously to retain its independence against a 100p a share bid—valuing the group at £191m—a financial consortium headed by *Gerald Ronson of Heron International*. This consortium, called Bassishaw Investments, believes it can reverse the fortunes that have seen UDS lose its premier position in both the men's and womenswear fashion sectors in less than a decade.

UDS has responded too little and too late to fresh consumer preferences, and has lacked the drive and determination to stay on top that has been a notable *hallmark of other such successful* retailers of the 1970s as J. Sainsbury or Marks and Spencer.

Laurels

"Sheer complacency was one of UDS's main problems," suggests John Richards, a senior retail analyst with a leading stockbroking firm, Capel-Cure Myers. "The UDS management *rested on their laurels and* stopped thinking how to run a company whose deteriorating performance was obscured by the inflation of the 1970s. UDS is a prime example of the failure of certain established retailers to come to grips with the harsh reality of modern retailing that a decade of inflation and recession has created."

Cyril Spencer, the 58-year-old former Burton chief who is now a key part of the Bassishaw consortium, agrees, not surprisingly, with this anlysis: "You've got to be able to anticipate trends and be able and willing to perform well in the rough times as well as the boom periods," he says. "The trouble with UDS's management is that they have never really understood retailing."

Bernard Lyons, UDS's chairman for the past decade until he retired at the end of last year, was in the family tailoring business of Alexandre when it was acquired by UDS in 1954. His son Stuart, 38, joined the business after a brilliant academic career; he still finds time to study Mandarin Chinese.

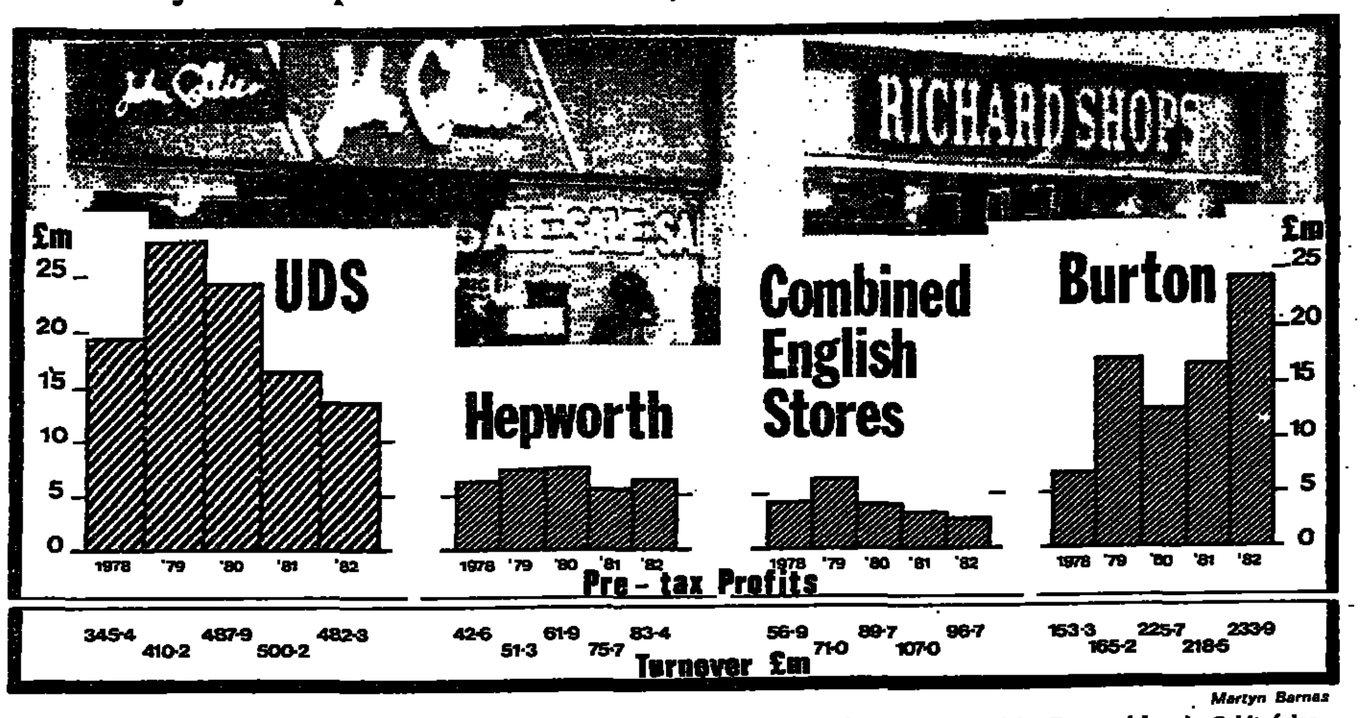
Sir Robert Clark, UDS's chairman since January 1, is disarmingly frank about the company's past track record. "It has not produced adequate profits or satisfactory returns for some years," he says. "But some changes to improve our performance have already been made and more will follow. My policy will be to do this with the participation of everybody from the most senior to the most junior."

The group's poor performance as a retailer is underlined by its recent financial record. Total turnover for the last full financial year at £482m was lower than either of the two previous years while pre-tax profits at £13.7m are about half the level of the 1979 peak of £27.8m. In the last half year, ending July 31 1982, both sales and pre-tax profits rose only marginally.

But UDS's sluggish record as *a retailer has left it without* a strong defence against the Bassishaw bid. The poor performance is at both a strategic and tactical level; strategic because UDS appears to have had no coherent retailing strategy other than buying growth through acquisition (and not making very wise choices at that) and tactical because it failed to operate as effectively as it could the retail assets it already owned.

Although UDS now operates only a dozen department stores—having closed down almost the same number in recent years—it was department stores that formed its core when it was formed in 1927. In the 1950s the group set out on the acquisition trail, expanding into both men's and womenswear.

In 1953 it bought "Fifty Shilling Tailors" and Claude Alexander, followed by the Alexandre tailors a year later. The "Fifty Shilling Tailors" were eventually renamed as John Collier shops. Virtually within a decade, UDS had gone from having no menswear interests to having almost 600 shops and 13 factories with a combined output of some £24m. Richard Shops, which became one of the leading womenswear chains in the High Street, had been acquired by UDS in 1949.



Martyn Barnes

UDS names in the High Street; Richard Shops (womenswear); John Collier (menswear); Timpson and John Farmer (shoes); Orbit (electrical goods); Allers (department stores) and John Blundell (door-to-door selling). Of some of its rivals combined English Stores comprises: Salisburys (handbags); Collingwood (jewellry); Harry Fenton (menswear); Hary S. Allen (chemists); Kingsbury Warehouses (furniture); Mercardo (carpet importer); Ronson Fur; Acabrig (textile importer) and Biba (West German womenswear). Burton *comprises Burton and Top Man (menswear); Top Shop, Dorothy Perkins*, Evans and Peter Robinson (womenswear) and High Street Transport. J. Hepworth comprises Hepworth (menssfear); Next (womenswear) and W. and E. Turner (shoes).

By the beginning of the 1970s, therefore, UDS had emerged not only as a significant department store group but as probably the major force in both men's and women's fashion retailing. Burton was a larger group than John Collier, but it had severe management and marketing problems of its own at that time which many believed were insoluble. Marks and Spencer, now the leading womenswear retailer in the UK, was less of a force than Richard Shops.

It was at this point, however, that the UDS formula began to go sour, even though sales and profits were apparently on an upward path because of the rising inflation of the early 1970s. UDS's growth *in the* 1950s and 1960s had been by acquisition; it therefore seemed logical for the newly installed chairman, Bernard Lyons, to continue the process. During the subsequent decade, Lyons spent around £70m on acquisitions, with a large share of these takeovers involving cash — a policy which inevitably led to high bank borrowings.

Mistakes

The UDS takeover spree of the 1970s included such major mistakes or only partial successes as:

● *the Swears and Wells* leather and fur chain for £4m in 1970. UDS never came to grips with this partly because of the seasonal nature of much of its business. Eventually the stores were closed and the sites either sold or converted to either Richard Shops or Collier outlets.

● the Myers mail order company for £10.5m in 1971. Myers was too tiny to be able to compete effectively against giants of mail order retailing such as G.U.S. (Great Universal Stores) and Littlewoods; it was eventually sold very cheaply to G.U.S.

● the Van Allan fashion shops chain in 1979, a downmarket clothing chain that was supposed to be positioned in the market below the more expensive and mature market that Richard Shops appealed to. Van Allan never made money and its market image remained irredeemably downmarket.

● a 50 per cent stake in Mobel Hubner of West Germany, a high-quality furniture retailer and UDS' first venture into Europe. This has been generally successful, but UDS' second *move towards a larger presence* in Europe was, according to brokers Buckmaster and Moore, "an unmitigated failure." Through Mobel Hubner, UDS acquired in 1975 full control of the Bieberhaus Group, a well-established retailer of consumer durables. Within a month, Bieberhaus was forced to close down, leaving UDS to fight it out in the German courts against the auditors who carried out the pre-acquisition audit.

Admittedly, UDS has made more of a success out of its two shoe-shop acquisitions in the 1970s — Timpsons and Farmers — although their current health has only come after early trials. Moreover, the move into duty-free retailing at major UK and overseas airports and on certain ships has proved a consistent money-earner.

All of this distracted the group from the task of managing its major retail operations. A decade ago, John Collier was still the "window to watch" in the High Street insofar as men wanted to buy suits."

1970 was still the era of the made-to-measure suit; some 4m of these were produced to customers' specifications in that year, with John Collier accounting for a substantial share of the business. Now, less than 300,000 suits are made to measure. Over the past decade, the menswear market has changed in two directions: suits are now primarily bought off-the-peg, when bought at all and the trend is towards more casual clothes, including jeans.

John Collier, however, was slow to reflect this trend. In part, this problem was caused by having a customer profile which was of middle to older aged men in middle-class occupations; it was these men who have proved most reluctant to abandon the sober suit for office and everyday wear and to adopt a casual style instead.

UDS responded to Collier's declining market and image by closing down the manufacturing plant (only one factory is left, and that makes suits for U.S. servicemen in Germany) and by dropping the Alexandre and Claude Alexander retail names, concentrating all menswear activities under the Collier banner. The number of outlets has also been drastically *pruned, to some 250 shops* at present, well under half the number of a decade ago.

Spencer is reluctant to spell out his strategy for a revamped Collier chain, should the bid prove successful, but it would obviously hinge on a marketing approach that appealed to the younger customer wanting more casual wear. Burtons, for example, has moved successfully in this direction with its "Top Man" boutiques.

Revamping Collier will not be easy. The problem with Richard Shops is more difficult still, since the womenswear market is both larger (£3.4bn compared with about £1.2bn for menswear) and more competitive.

The 217 Richard Shops trading at present (the total number of fashion outlets has dropped by about 100 over the past two years following the closure of Van Allan) account for almost half of UDS's multiple stores annual turnover of £133m. A decade ago, Richard Shops were considered fashion leaders—both the styles and colours they adopted would set the pace for fashion's mass-market (a mantle that Marks and Spencer has now taken up).

Richard Shops is different from any of its competitors in that it sells only women's outerwear, such as skirts, dresses, blouses, coats, and nightwear and does not stock fashion accessories such as handbags or footwear. Its marketing approach is aimed towards the 22 to 40 year old woman, slightly older than many of its competitors although generally in line with the M and S marketing approach.

Yet, according to retail analysts and other retailers, Richard Shops' image *has* become somewhat tarnished—"Women don't feel they are really being fashionable in Richard Shops any more," says one analyst. At the same time, Burton has revamped its Dorothy Perkins chain to brighten its image, while Sir Terence Conran, as chairman of Hepworths, has successfully relaunched the Kendalls fashionwear chain into an up-market—and by all accounts very successful—chain called "Next."

The problems with Richard Shops range from ineffective shopfittings and store design—a problem that UDS has already acknowledged by bringing in top retail designers Fitch and Company to create a new *image—and on the buying* and merchandising side.

According to trade sources, UDS is often left with too much stock at the end of a season, stock which it cannot afford to mark down sufficiently to clear. This inhibits buyers when selecting the next season's ranges; they therefore act over-cautiously, and are left with even more unsold stocks.

UDS's plans for Richard Shops, apart from the refit, include new buyers and retail management—although these plans may come to naught if Ralph Halpern of Burton takes the Richard Shops chain off UDS's hands. Spencer is adamant that given the right image and merchandise mix, Richards Shops can recover much of its lost ground: "after all, you can sell the right merchandise off a barrow—it's the stock that counts," he says.

Motivate

Probably the key to the whole Bassishaw bid and plans for UDS is Spencer himself. He has a proven track record as a retailer and is respected within the fashion trade as being able to motivate existing management to perform much better. Sir Robert Clark, the new UDS chairman admits he is no retailer and is understood to be looking for a new top executive with retail experience for UDS, should the Bassishaw bid fail. But then, good retail chiefs are hard to come by—as Woolworth and Littlewoods have already discovered in recent months.

AT&T

The last article in this series will appear on Monday's Management page.

A reprint of the series in booklet form is available, price £3, from Nicola Banham, Publicity Department, Financial Times, 10 Cannon Street, London EC4 4BY.

BUSINESS LAW

Abta—an unconvincing judgment

BY A. H. HERMANN, Legal Correspondent

NEXT MONDAY the Restrictive *Practices* Court is likely to put the final touches to its judgment* on the Association of British Travel Agents' (Abta) restrictions on competition. This judgment, delivered before Christmas, is the first concerned with the application to services of the Restrictive Trade Practices Act 1976.

Another case in the pipeline concerns the Stock Exchange rule on the delimitation of the activities of stockbrokers and stock jobbers. *That case is now* going through the preparatory stages, and hearings are expected to take place in January 1984. The Abta judgment will be eagerly studied because it concerns a matter of popular interest, because it may reveal the court's approach to the issues of competition and the public interest in service industries, and as a possible indication of the likely outcome of the Stock Exchange case.

The main attack of the Fair Trading Office, which contested the Abta agreement in the court, was directed against the exclusivity provisions which prohibit members from dealing with non-members: package tour operators must not sell foreign package tours through travel agents who are not members of Abta, and travel agents must not sell foreign package tours organised or promoted by a non-Abta tour operator.

Although the Director-General of Fair Trading lost on this important point, he convinced the court that a number of other restrictions should be removed from the Abta agreement and code of practice. These concern retail price maintenance, premises and staffing requirements. The last two are particularly important because these requirements can be used by Abta to prevent the entry *into the market of new competitors.*

The court had no doubt that the Abta rules that a travel agent is eligible for membership only if he operates in separate premises, or at least in a space separate from his other business activities, thus providing a comfortable ambience free from disturbing noise, are not only unnecessary but positively detrimental. They can be used not only to prevent the sale of package tours in a departmental store, a bank or a village sub-post office, but also to preclude the development of a cottage-industry type of agency which could provide a good service to the public.

The court ruled out, in the same *uncompromising way, res*trictions which imposed retail price maintenance and prohibited the travel agent from granting discounts by passing on to the customer part of his commission.

> Going by the Abta judgment of the Restrictive Practices Court, the jobbers' monopoly can survive only if the Stock Exchange is viewed as part of a consumer industry

However, the court was not so certain about staffing restrictions. It had no doubt that requiring the travel agent to employ a minimum number of staff was unnecessary and against the public interest. A customer could see and decide for himself whether the agency he wanted to use had sufficient staff to provide the service he *expected.*

Customers do not, however, see at once whether the staff available also have the necessary skills and experience. The court remained in doubt whether the Abta requirements on qualifications of travel agents' staff should be upheld or ruled out. This issue will be argued next Monday, and will be decided in a supplementary judgment.

Let us now return to the main issue, whether Abta members, tour operators or agents should also be allowed to deal with non-members. The evidence before the court revealed that Abta members had, at best, a love-hate relationship with their organisation. Were it not for fear of being proscribed, and thus out of bounds to the remaining members, many would leave the organisation to escape its surveillance, costly bonding requirements and other rules. This may explain the curious term "stabiliser" which Abta uses to describe its exclusivity rules: it stabilises the membership which would otherwise escape.

On behalf of the Director-*General, it was argued that the* complicated bonding system operated by Abta, in combination with the Tour Operators' Study Group (TOSG) trust fund, could be replaced by insurance. Some 160,000 package tour buyers have not yet been repaid the money which they lost through Laker's failure, because TOSG, according to Abta disclaims responsibility for payments made to Laker by credit cards. This suggests that a straightforward insurance policy might provide greater safety. The court, however, took the view that a purely *financial compensation was not* what the consumer needed most in the case of a tour operator's insolvency.

The court was obviously impressed by the horror stories of families stranded in distant parts, and accepted Abta's contention that the replacement of lost holidays, as well as the accommodation and repatriation of those caught by the failure of an operator abroad, required *exceptional experience and* business skill which insurers could not easily and quickly acquire. It reached the conclusion that only Abta could ensure such a rescue service, and that it could do so only as long as the exclusivity rules obliged tour operators and travel agents to *remain* its members. For that reason alone, it held that the so-called "stabiliser" restrictions on competition were not against the public interest.

This key part of the judgment is not very convincing. The British travelling public is perfectly able to cope with many adversities caused by floods, snow drifts and strikes. The overwhelming majority of the 5m or so people who buy package tours each year go to civilised destinations where an insurance company's bond could enable them to book into an hotel and to buy a return air ticket should their tour operator go bust.

To write *hic sunt leones* all over the map is not only untrue but also bad for a country which owes much to the enterprising spirit and self-reliance of its inhabitants. Moreover, it is hard to believe that some insurance company, alone or in combination with others, could not step in and organise a rescue service for those who wish to pay for it.

Are there any lessons for the Stock Exchange case? Will the court say that the rule according to which no deal may bypass a jobber is in the public interest? The answer to that seems to depend, first, on whether the court will view investment in securities as a consumer industry, as it is regarded in the U.S.; and second, having taken this view, whether it will conclude that the jobber has a stabilising influence on the market and protects the small investor against being short-changed. To give an affirmative answer becomes more difficult every day as the small investors leave the market which is becoming more and more of a playground for the big institutional investors.

** Restrictive Practices Court, before Mr Justice Anthony Lincoln, Mr H. C. Pearson and Mr C. J. Risk. Re agreement between the members of the Association of British Travel Agents Ltd., judgment December 20 1982 FT CLR January 18 1983.*

FT COMMERCIAL LAW REPORTS

No power in council to stop Sunday trading

WOLVERHAMPTON BOROUGH COUNCIL v B & Q (RETAIL) LTD

Chancery Division: Mr Justice Nourse: January 18, 1983

WHERE A *local authority* seeks an injunction to prevent unlawful Sunday trading, continuance of which would cause no particular prejudice to the inhabitants of the area, the application must be made in a relator action at the discretion of the Attorney-General and not by the local authority in its own name, in that prevention of crime is a matter of general public interest and not of an interest peculiar to local inhabitants.

Mr Justice Nourse so held when refusing an application by Wolverhampton Borough Council for an injunction to restrain B & Q (Retail) Ltd from continuing to trade unlawfully on Sundays.

A "relator action" is one in which the Attorney-General, in the exercise of his discretion to proceed at the request of an individual (including a local authority), brings an action to assert a public right. In general, no private person has the right of representing the public in the assertion of public rights.

Section 222 of the Local Government Act 1972 provides: "(1) Where a local authority consider it expedient for the promotion or the protection of the interests of the inhabitants of their area—(a) they may prosecute or defend or appear in any legal proceedings and, in the case of civil proceedings, *may institute them in their own* name . . ."

* * *

HIS LORDSHIP said that B & Q operated retail do-it-yourself stores and garden centres in various parts of the country. Three of their premises were within the area of the Wolverhampton Borough Council, trading under the names of B & Q, and Dodge City.

Between April and July 1982 all three premises traded on various Sundays in contravention of section 47 of the Shops Act 1950.

On October 13 1982 the council's Environmental Health and Control Committee resolved *that letters be sent to B & Q* warning them that the council would apply for injunctions against them unless they ceased unlawful Sunday trading.

A letter was duly written. Five days later trading again took place at all three premises in contravention of section 47. In a prominent position at each of the premises was a sign saying, "Now open Sundays 10 am to 5 pm."

B & Q was convicted at Wolverhampton magistrates' court in respect of 24 offences under section 47, and was fined £50 for each offence, totalling £1,200.

*

Section 222 of the Local Government Act enabled a local authority, in appropriate circumstances, to apply for an injunction to restrain breaches of the Shops Act. It was clear that B & Q had committed, and intended to commit, deliberate and persistent breaches of section 47.

However, Mr West-Knight for B & Q, submitted that because the purpose of the present application for an injunction was to restrain breaches of the criminal law, it could only be made by the Attorney-General, unless the council could properly have considered it "to be expedient for the promotion or protection of the interests of the inhabitants of their area," within section 222.

He submitted that the evidence *disclosed no such circumstances,* and that a desire on the council's part to prevent the commission of crime, and no more, was not enough. To proceed on that ground would involve a usurpation of the function of the Attorney-General.

Gouriet v Union of Post Office Workers [1978] AC 435 demonstrated that it had been, and should be, exceptional for the aid of the civil courts to be invoked in support of the criminal law.

The Attorney-General's power [to assert a public right] was not to be regarded as having been removed and entrusted to a local authority unless the circumstances fell fairly and squarely within section 222.

In *Gouriet* Lord Dilhorne, at page 494, described the power under section 222 as a limited one, and so indeed it was. The section was not to be construed so as to result in any undue erosion of the general discretion vested in the Attorney-General.

A desire on the part of a local authority to prevent the commission of crime in general, without regard to its locality, could not be enough to bring a case within the section. Nor *could a mere desire to prevent* the commission of crime within the area be enough.

A local authority would consider that for the "promotion or protection of the interests of the inhabitants of their area," the area should be as respectable and as free from crime as possible. But that consideration was equally the concern of the public in general. No special interest resided in the inhabitants of a particular area.

Section 222 could not go as wide as that. The result might be to remove a very considerable number of cases from the general discretion vested in the Attorney-General.

*

Broadly speaking, the primary duty of a local authority was to deal with matters in which the inhabitants of the area had a particular interest. Section 222 only applied where continuance of the crime would cause a particular prejudice to the interests of those inhabitants, as distinct from the public in general.

The question was whether, on the evidence, the council could properly have considered that continuance of unlawful Sunday trading would cause such prejudice.

It could not be assumed that the Environmental Health Committee had had purely local considerations in mind. It was for the council to show a case within section 222.

The *evidence did not point to* any particular prejudice to the interests of the inhabitants of the area as distinct from the public in general.

Mr Driscoll for the council, relied *inter alia* on section 71(1) *of the Shops Act 1950*, which made it the duty of every local authority to enforce the provisions of the Act within its district, and to institute and carry on proceedings for that purpose.

That subsection could not help the council. The statutory duty expressed there must be restricted to such proceedings as the local authority had power to institute. The subsection could not create a power to institute and carry on proceedings of an entirely novel kind. Nor could the duty by itself erect a special interest in the inhabitants of the area.

*

In *Kent County Council v Batchelor (2) [1979] 1 WLR 213* Mr Justice Talbot held that a local authority had *locus standi* to seek an injunction under section 222 in relation to the enforcement of tree preservation orders.

He said at page 220, "It is not just a case of taking action to prevent a criminal offence. *It is a case of preventing interference* with the areas of natural beauty which they have sought by their tree preservation orders to preserve."

That case was distinguishable from the present, but those observations were valuable as showing, first, that it was likely the judge would have taken a different view if it had been just a case of preventing a criminal offence; and secondly, they showed the sort of circumstances in which a local authority could take proceedings for the promotion or protection of the interests of the inhabitants of the area.

There were no such circumstances in the present case. It was not a case within section 222. Accordingly, since the proceedings were not relator proceedings, they were not properly constituted. The council's application was refused.

For the council: M. J. Driscoll (Sharpe Pritchard & Co., agents for Michael Duffell, Wolverhampton) For B & Q: L. J. West-Knights (Hepherd Winstanley & Pugh, Southampton)

By Rachel Davies

Barrister

THE ARTS

Arts Week

F	S	Su	M	Tu	W	Th
21	22	23	24	25	26	27

Handel Festival in Washington

The Washington Friends of Handel with the Washington Performing Arts Society sponsor this year's Handel Festival with events spread over the first half of the year. Conducted by Stephan Simon, the three performances will feature more than 15 vocal soloists from the Metropolitan and New York City Opera companies.

It starts this week with the 1745 opera Hercules with libretto by Thomas Broughton (from Ovid and Sophocles). The heroine, Dejanira, will be sung by Susanne Marsee and Iole by Lorna Haywood, soprano from Covent Garden.

Theodora, Handel's penultimate oratorio, will come next in April, telling of the martyrdom of a noble Christian woman who refuses to participate in a pagan festival in ancient Antioch. Mezzo-soprano Beverly Wolff will repeat the title role she has sung in the six previous Kennedy Center Handel festivals, while Metropolitan Opera bass, Justino Diaz will sing the villainous Roman prefect, Valens.

In May Handel's only comic opera, Xerxes, will be done with Maureen Forrester as the imaginary king of Persia, Metropolitan Opera mezzo Hilda Harris as the king's younger brother and Linda Mabbs as the woman between the two men.

All performances in Kennedy Center Concert Hall. (2543776)

Music

LONDON

Swedish Radio Symphony Orchestra conducted by Yevgeny Svetlanov with Paul Torelier, cello. Elgar and Dvorak. Royal Festival Hall (Mon). (928 3191)

Cecile Ousset, piano. Beethoven, Liszt, Chopin, Faure and Debussy. Queen Elizabeth Hall (Mon). (928 3191).

Royal Philharmonic Orchestra conducted by Antal Dorati with Jean-Philippe Collard, piano. Debussy, Ravel and Stravinsky. Royal Festival Hall (Tue).

The Fires of London conducted by Peter Maxwell Davies and John Carewe with Mary Thomas, soprano. Maxwell Davies. Queen Elizabeth Hall (Tue).

London Philharmonic Orchestra conducted by Bernard Haitink with Maurizio Pollini, piano. Mozart and Mahler. Royal Festival Hall (Wed).

English Chamber Orchestra conducted by Gustav Kuhn with Isobel Buchanan, soprano. Mozart. Queen Elizabeth Hall (Wed).

Philharmonia Orchestra conducted by Simon Rattle with Ann Murray and Alfreda Hodgson, mezzo-sopranos and John Mitchinson, tenor. Mahler. Royal Festival Hall (Thur).

Bernard Roberts and Yolande Wrigley, pianos. Mozart, Tippett and Bax. Purcell Room (Thur).

Ronnie Scott's, Frith Street: Trumpeter Humphrey Lyttelton and his band. All week.

NEW YORK

Carnegie Hall: Orpheus, with Jan DeGaetani mezzo-soprano. Haydn, Britten, Wagner, Dvorak (Mon); Boston Symphony conducted by Seiji Ozawa, with Frederica von Stade mezzo-soprano, Nicolai Gedda tenor. Thomas Stewart baritone, the Tanglewood Festival Chorus and Boston Boy Choir. Berlioz: The Damnation of Faust (Wed). (247 7459)

Avery Fisher Hall: New York Philharmonic, Giuseppe Sinopoli conducting. Malcolm Frager piano. Bussotti, Mozart, Schumann (Tue); Zubin Mehta conducting, Yehudi Menuhin violin. Mozart, Schoenberg, Elgar (Thur). (874 2424)

Merkin Concert Hall (67th W. of Broadway): New York Pro Arte Chamber Orchestra conducted by Raffael Adler with soloists Ralph Evans violin, Michael Rudiakov cello, Robert Johnson french horn, Maryhelen Ewing, viola and Menahem Pressler, piano. Bach, Telemann, Seymour Barab (world premiere), Grieg, Bartok (Tue). (362 8719)

CHICAGO

Orchestra Hall (220 S. Michigan): St Louis Symphony, Leonard Slatkin conducting, Jacob Berg flute, Peter Bowman oboe, George Silfies, clarinet, George Berry bassoon. Weber, Mozart, Prokofiev (Tue); Chicago Symphony, Henry Mazer conducting. Ferris: Acclamation for Organ and Orchestra (world premiere), Honegger, Ravel (Thur). (435 8122)

VIENNA

Musikverein (658190): Lucia Popp lieder recital. Schubert, Schoeneberg and R. Strauss (Mon); Vienna Symphony Orchestra conductor Gennadi Rozhdestvensky. Solist: Victoria Postnikova. Mozart and Brahms (Wed and Thur).

Konzerthaus (721211): Edita Gruberova. Soprano. Irwin Gage. piano. Lieder recital. Mozart, Brahms and Strauss (Wed).

PARIS

Warsaw's Grazyna Bacewicz quartet: Beethoven, Krauze, Smetana (Mon) Radio France, Grand Auditorium. (230 3060)

Ensemble Orchestral de Paris conducted by Kurt Redel, Paul Esswood, counter-tenor, Yvan Chiffoleau, cello: Vivaldi, Bach (Tue, Wed) Salle Gaveau. (563 2030)

Nouvel Orchestre Philharmonique conducted by Hubert Soudant with the Radio France choir: Jolivet, Saint-Saens (Wed) Saint-Germain-des-Près church (260 3184)

Orchestre de Paris conducted by Daniel Barenboim with Itzhak Perlman: Wagner's Sehnsucht, Saint-Saens, Brahms (Wed, Thur) Salle Pleyel (563 88730)

Nouvel Orchestre Philharmonique conducted by Emmanuel Krivine, Gerhard Oppitz, piano: Fauré, Mozart, Haydn (Thur) Salle Gaveau (563 2030)

Concert Lamoureux – Raymond d'Arco, Roger Cohen: Beethoven, Brahms Sonates (Thur 3pm and 6pm) Pleyel, Salle Chopin (563 8873)

ITALY

Rome, Auditorium via della Conciliazione: Arturo Bonucci, cello. Ravel and Debussy (Mon and Tue).

Rome, Auditorium Foro Italico: Fitzwilliam Quartet. Tchaikovsky, Fauré and Beethoven (Wed).

Milan, Conservatorio Giuseppe Verdi: Wolfgang Manz, piano. Chopin études (Mon).

Opera and Ballet

LONDON

Royal Opera, Covent Garden: The repertory consists of Samson et Dalila (Jon Vickers and Shirley Verret returning to the magically beautiful Sydney Nolan sets of last season's new production) and Der Rosenkavalier, with the well-routined Marschallin and Octavian of Gwyneth Jones and Yvonne Minton joined by Yvonne Kenny's first Covent Garden Sophie. Georges Prêtre is the Saint Saëns conductor and Andrew Davis the Strauss.

Sadler's Wells Theatre: The New Sadler's Wells Opera inaugurates its first season as resident operetta company of the house with new productions of Lehar's The Count of Luxembourg and The Mikado.

English National Opera, Coliseum: A long-awaited new production of Tchaikovsky's Queen of Spades by David Pountney shows off the principal trio of Graham Clark, Marie Slorach and Sarah Walker as well as conductor Mark Elder. Further performances of the company's impressive Otello and rather more ordinary Gounod Romeo and Juliet and La Bohème.

PARIS

La Boheme conducted by Alain Lombard, produced by Gian-Carlo Menotti with Leona Mitchel and Helene Garetti alternating as Mimi with Faye Robinson in the role of Musette. Paris Opera (7425750)

WEST GERMANY

Berlin, Deutsche Oper: Ariadne Auf Naxos produced by Rudolf Bellner brings together Janis Martin and Gerd Brenneis. Die Fledermaus has fine interpretations by Garry McDaniel and Gerti Zeumer. Madame Butterfly, conducted by Janos Kulka, has an all-Italian cast. Der Wildschütz with Barbara Scherler and Peter Sesiffert in the main parts rounds off the programme. (34 381)

Hamburg Staatsoper: This week's highlight is Otello with Franco Donisolli in the title role, Piero Cappuccilli in the part of Jago and Eva Marton as Desdemona. Die Zauberflöte features Harald Stamm and Elsie Hobarth as Queen of the Night. Der Troubadour has Jelena Obraszowa excelling as Azuena. (351 151)

Cologne Opera: Der Freischütz benefits from a fine performance of Siegfried Jerusalem as Max. Hoffmanns Erzählungen has Edda Moser as Olympia. Die Heimliche Ehe conducted by Arnold Oestman has Georgine Resick and Claudio Nicolai. (20 761)

Frankfurt Opera: Die Hochzeit des Figaro with Judith Beckmann and Barry McDaniel in a dramatic and well-paced performance. Parsifal, produced by Ruth Berghaus, is one of the most spectacular of current Wagner productions with Walther Raffeiner in the title role. (25 621)

Stuttgart Württembergisches Staatstheater: premiere this week of a new production of Der Troubadour by John Dew, conducted by Lamberto Gardelli with Eva Randova as Azucena and Juan Lloveras as Manrico. Der Freischütz has Catarina Ligendza as Eva and Manfred Jung. Die Lustigen Weiber von Windsor with Sylvia Geszty is a fresh and delightful revival. Hänsel und Gretel completes the programme. (20 321)

Munich Opera Bayerische Staatsoper: Two Wagner operas. Die Walküre and Siegfried both produced by Günther Rennert. Das Rheingold has Ingrid Bjoner and Peter Hoffmann in the leading roles, Siegfried René Kollo. Die Hochzeit des Figaro is finely interpreted by Hermann Prey and Judith Beckmann in the leading roles. Eugen Onegin stars Julia Varady and Kurt Moll. Tosca, A Götz Friedrich production, brings together Giorgio Lamberti and Ute Wewezow. (21 851)

ITALY

Rome, Opera House (463641): Idomeneo conducted by Peter Maag (Wed).

Milan, La Scala (8099126): World premiere of Lieb und Leid choreographed to Mahler by Joseph Russillo.

Florence, Teatro Comunale (262841): The Nutcracker with Elisabetta Terabust.

Florence, Teatro Comunale (262841): Falstaff in a co-production of the Los Angeles Philharmonic Association and the Royal Opera House, Covent Garden (Thur).

Vienna première

The Vienna Volksoper on Thursday stages the première of a concert performance of Der Kuhreigen. The composer, Wilhelm Kienzl, born in 1857, was for a time in the circle of composers around Richard Wagner and worked in Bayreuth. His compositions, including two hardly-known operas, were primarily confined to piano works, choir compositions and lieder. Der Kuhreigen will be conducted by Lothar Zagrosek and includes Adolf Dallapozza, Mirjana Irosch and Robert Granzer.

NEW YORK

Metropolitan Opera (Opera House, Lincoln Center): First seasonal performance of La Bohème conducted by James Levine and staged by Franzo Zeffirelli joins repertory performanc of Adriana Lecouvreur, Les Contes d'Hoffmann, Boris Godunov and the last performance of Pelléas et Melisande. (580 9830)

New York City Ballet (New York State Theater, Lincoln Center): The mixed repertory includes works by Jerome Robbins, Peter Martins and company head George Balanchine. (870 5570)

WASHINGTON

Washington Opera (Terrace Theater, Kennedy Center): Andrew Porter's new translation of The Abduction from the Seraglio and evening of Trial by Jury, with the D'Oly Carte's John Reed as the judge, and M Choufleuri. (254 3670)

Exhibitions

WEST GERMANY

Stuttgart, Staatsgalerie, Konrad Adenauer Strasse: Late 16th and early 17th century Italian masterpieces reflect the beginnings of Baroque. Ends spring 1983.

Munich, Haus der Kunst, 1 Prinzregentenstrasse: Oil paintings and drawings from between 1912 and 1938 by Giorgio de Chirico, the Italian artist. Ends Jan 30.

Berlin, Akademie der Künste, 10 Hanseatenweg: Oh Canada has paintings, architecture, films, videos and performances documenting the development of today's artistic scene in the North American country. Ends Jan 30.

Munich, Villa Stuck, 60 Prinzregentenstrasse: Vienna around the turn of the century is the topic of roughly 200 graphics and book illustrations by the so-called Austrian Secessionists. Among them Gustav Klimt and Oskar Kokoschka. Ends Jan 30.

Bonn, Kunstverein, 7 Adenaueraliee: Landscape painting illuminated through recent works by six European artists. Ends Jan 30.

Munich, Lenbachhaus, 33 Luisenstrasse: A retrospective of 140 paintings, drawings, graphics and many documents offers an insight into the work of Josef Scharl, the German-American painter (1896–1954). Ends Jan 30.

Münster, Westfälisches Landesmuseum, Domplatz 10: For the first time a museum is staging a joint show of the more than 140 paintings which Paul Klee, August Macke and Louis Moilliet brought back from a trip to North Africa in 1914. Ends February 13.

Nuremberg, Kunsthalle, 32 Lorenzer Strasse: Emil Nolde, the famous German expressionist, has a show here comprising more than 100 water colours and his complete graphic work. Ends January 30.

PARIS

Fantin-Latour (1836-1904). 150 paintings, pastels, drawings and lithographs bring home some unsuspected facets of his art. Best known for his rather sombre collective portraits of the intellectual elite of his time, his poetic flower compositions charm with luminosity and colours. Fascinated by music, his illustrations of Wagner and Berlioz are his escape into the world of dreams and phantasy. Grand Palais. Closed Tue, ends Feb 7. (260 3926)

The Hague School of painting: 160 oils and watercolours by 19th century Dutch artists depict mostly the sea and the seashore in a poetical mood or genre scenes and culminate gloriously with the beginnings of Van Gogh and Mondrian. The exhibition will go on to London and The Hague. Grand Palais, closed Tue. Ends March 28 (261 5410)

LONDON

The National Portrait Gallery: Van Dyck in England – if not unquestionably the greatest, pace Holbein, certainly the most prolific and lastingly influential of our Court Painters, establishing the image of romantic, doomed Cavalier grandeur in its final years. He could not have done this without an army of studio assistants and it is easy enough to recognise the fruits of the production line, but he was a wonderful artist for all that. He is a painter's painter, steeped in the works of the earlier Italian masters, and the worthy successor to his own master, Rubens. Ends March 20.

ITALY

Rome, Campidoglio: An exhibition of 12 paintings and six drawings by Andy Warhol inspired by de Chirico. Ends Jan 31.

Rome, Accademia di Francia: 'Mediterraneum Picasso,' a collection of about 100 works inspired by Mediterranean life. Ends Feb 13.

Milan, Palazzo Reale: Boccioni in Milan. A comprehensive collection of 400 of the painter's works, some being shown for the first time, to mark the centenary of his birth.

NEW YORK

Metropolitan Museums of Art: Architectural drawings, furniture, photographs and even ceramics comprise the hundred objects of Frank Lloyd Wright's dusted off to accompany the permanent installation of the living room he designed for the Francis Little House. Ends Feb. 27. (535 7100)

Whitney Museum: Painter Ellsworth Kelly will becomes better known as a sculptor with this first sculptural retrospective of 40 works dating back to the 1940s and including recent large aluminium and weathering steel works, many never before displayed publicly. Ends Feb. 27. (570 3676)

Whitney Museum: The 75th anniversary of the exhibition of The Eight, the group surrounding artist and teacher Robert Henri, is being remembered with nearly half of the 60 paintings first shown at the New York Macbeth Galleries in defiance of conventions established by the National Academy of Design. Besides Henri, works by Luke, Lawson, Shinn and Davies will recreate the origins of modern-art in America. Endes March 20.

WASHINGTON

National Gallery: On the centenary of Edouard Manet's death, a hundred paintings, pastels and photographs show the growing interest in Paris among artists of that time, including Manet, Monet, Caillebotee, Daumier, and Vuillard, in this thematic exposition. Ends March 6. Seven major series by sculptor David Smith are represented in the 60 large works in welded metal included in the exhibit. Ends April 24. (357 2700)

CHICAGO

Museum of Contemporary Art: 300 works from the superb modern Russian collection of George Costakis preserves the exuberant hopes of cubo-futurism, suprematism and constructivism through the paintings and designs of Klium, Chasnik, Rodchenko, and Malevich before their extirpation by Stalin. Ends March 13.

Theatre

CHICAGO

The Comedy of Errors (Goodman): With Adriana played by world champion baton twirler Sophie Schwab and Luciana by Gina Leishman who has mastered seven musical instruments, this Shakespeare could be nothing but a circus, especially surrounded by the Flying Karamazov Brothers and street musicians and jugglers from across America in Robert Woodruff's lively production. (443 3800)

Duet for One (North Light Rep, 2300 Green Bay, Evanston): Tom Kempinski's slightly veiled story of the painful and frustrating accommodation of a concert artist to growing debility stars Eva Marie Saint. (869 7278)

E. R. (Organic, 3319 N. Clark): This hit-and-miss local company has a long-running success with an earnest parody of hospital-based melodramas, starring Gary Houston as an ambitious young doctor, Shuko Akune as the receptionist and Lily Monkus as the authoritarian nurse. (327 5588)

Shear Madness (Mayfair at the Blackstone Hotel): Bruce Jordan and Marilyn Abrams recreating the roles they originated in the hit run of this comedy mystery in Boston and Philadelphia. (266 0252)

NEW YORK

Amadeus (Broadhurst): Frank Langella stars as Salieri in the award-bedecked and elegant National Theatre production of Mozart's life. (247 0472)

Agnes of God (Music Box): The fiery trio of Elizabeth Ashley, Geraldine Page and Amanda Plummer enliven a somewhat over-written clash of ideologies. (246 4636)

Joseph and the Amazing Technicolor Dreamcoat (Royale): The first work by Andrew Lloyd-Webber and Tim Rice in a lively and imaginative rendition directed by Tony Tanner. (245 5760)

Present Laughter (Circle in the Square): George C. Scott proves that with the right wardrobe of dressing gowns, he can capture the essence of impresario Garry Essendine, including directing an excellent supporting cast. (581 0720)

Geniuses (Fairbanks): Author Jonathan Reynolds takes advantage of a stint watching Francis Ford Coppola shooting Apocalypse Now to parody the American film industry in this riotous re-creation of a jungle film set awaiting the end of a seasonal typhoon. (432 W. 42nd). (279 4200)

Nine (46th St): Two dozen women surround Raul Julia in this Tony-award winning musical version of the Fellini film 8-½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246)

Good (Booth): How Halder became a Nazi, in this London import starring Alan Howard and directed by Howard Davies, is eloquent, stylish in set and overlapping scenes, but ultimately convincing for the rather undramatic and prosaic reason that Halder was sought after and treated well. No moral tale there. (239 6200)

Plenty (Plymouth): Moving on to Broadway from its Public Theatre opening, Kate Nelligan stars again in the New York production of the play written and directed by David Hare about Europe's transition from war to peace over the last generation. (239 6200)

Cats (Winter Garden): Director Trevor Nunn, fresh from the Broadway success of Nicholas Nickleby, has his imaginative and frisky cats slink, slide and dance their way across a transfigured stage in this lavish recreation of the London hit. (239 6262)

WASHINGTON

Toyer (Eisenhower, Kennedy Center): Tony Richardson directs Kathleen Turner and Brad Davis in Gardner McKay's new tense and twisted murder mystery set on a California tennis court (254 3670)

Show Boat (Opera House, Kennedy Center): A cast of 50 from the Houston Opera company led by Donald O'Connor revives the Kern-Hammerstein musical of 1927 with its brilliant score including songs Ol' Man River, Bill and Make Believe. (254 3770)

The Imaginary Invalid (Kreeger): The Arena Stage does its own production of the Molière masterpiece. (488 3300)

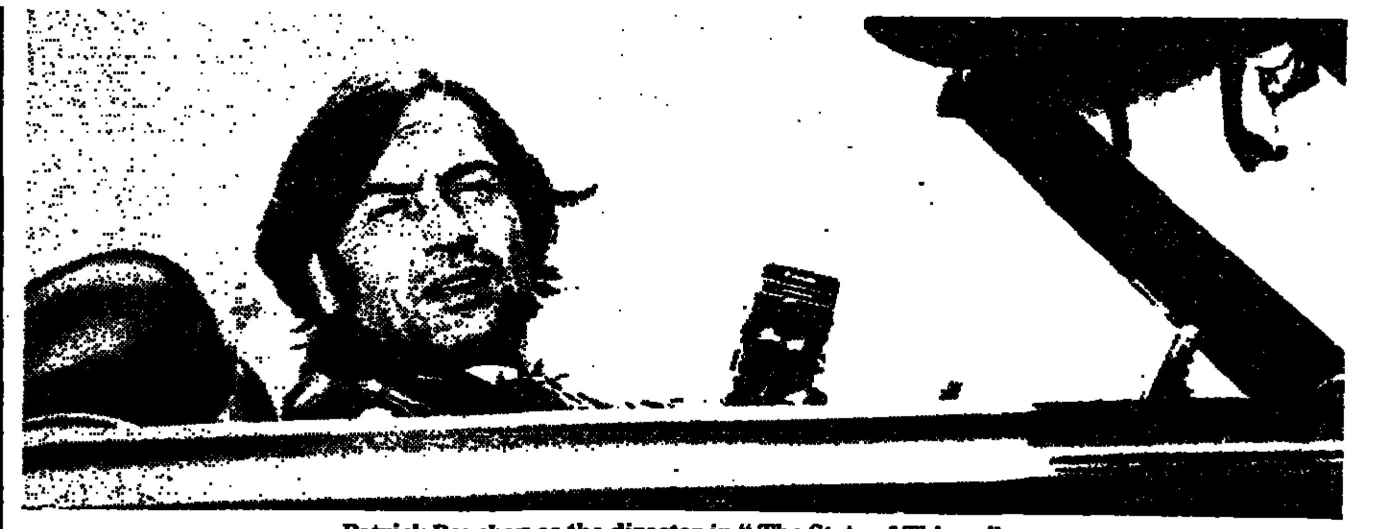
LONDON

The Real Thing (Strand): Fascinating, enjoyable new Tom Stoppard play which examines a playwright's attitudes to work, music and love in characteristically well-written, complex vein. A tone of serious levity is well struck in Peter Wood's production and the performances of Roger Rees and Felicity Kendal. (836 2660/4143).

Other Places (Cottesloe): Triple bill of Harold Pinter plays superbly directed by Peter Hall. Pinter breaks new ground in A Kind of Alaska, Judi Dench outstanding as a woman coming out of coma after 29 years and accelerating from small girl to adult maturity in half an hour. (928 2252).

Noises Off (Savoy): Michael Frayn's backstage comedy is still the funniest play in London, owing small debts to Rattigan's Harlequinade and Pirandello's Six Characters. Brilliantly directed by Michael Blakemore. (836 8888)

Trafford Tanzi (Mermaid): Exuberant play that sets the battle of the sexes in a wrestling ring. This fringe success has re-opened the embattled City of London venue. (236 5568)



Patrick Bauchau as the director in "The State of Things"

Cinema/Nigel Andrews

A cinematic miracle

The State of Things

Airplane II

Muddy River

Party Party

The end of the world at the edge of the world. On the Estoril coast—farthest point west in Europe—a movie crew are making a science-fiction film about the aftermath of a nuclear holocaust. Goggles, jumpsuits and surgical masks weave and lumber through the duney landscape. Eerie shoestring backcloths flap in the wind by a deserted hotel. The tail of a broken plane rears vertically from the ground. Suddenly the cameraman (Sam Fuller), white hair smoking above a whisky-and-sawdust voice, steps forward to rasp out the bad news. "We have no more film to make this picture." Collapse —or totter—of cinematic party: twang of broken shoestrings, and the beginning of Wim Wender's *The State of Things*.

Four months ago I brought the bad news from Venice to London that this film seemed a Wenders aberration. Even though it won the Golden Lion, few but the jury rhapsodised about the monotone yarn of spiritual stasis in wave-washed Portugal, processed in a hideous "black-and-white" that mutated reel-by-reel from sepia to off-pink to harsh and flickery grey. Optically holocausted, festival-goers reeled out at the end screaming for surgical masks and goggles themselves.

But there *are* miracles in cinema: the movie has now been to the cleaners (or Filmdom's laboratory equivalent) and it's a different and dazzling animal. It paws and swats you no less fiercely around the brain-cells. But now the puzzles and provocations are exciting, and the images themselves new-cleaned and thrilling, as Wenders teases out the enigmatic tale of a group of people suddenly and Damascenely dispossessed of their harmony of purpose. Faced with their own "end of the world" in miniature, they atomise into orphaned individuals. They wait for news from their fly-by-night producer "Gordon," who has vamoosed to Hollywood. Relationships creak and fracture. Waves claw at the empty swimming-pool. The sun sinks each day "like a ship." The time-killing introspection of diary-writings or drinking jags or vocal doodlings into tape-recorders all try to bat away the encroaching idea of a kind of death.

And rising slow and whale-like out of this ocean'd inertia is a marvellously potent fable about the place of "structure" in everyday life. What do you do when shape and purpose flee —whether in your professional life with a project or your emotional life with a relationship—and elemental nihilism batters at the sea-walls of your life?

Wenders flirts with man's-gotta-do stoicism as one answer. The movie-within-a-movie's lead actress (Isabelle Weingarten) is reading "The Searchers," with its epigraph tribute to "the courage of those who simply keep on and on, doing the next thing."

But the magnificence of *The State of Things* is in the way it has squeezed a shining, near-abstract magic from the very theme of "nothing to do." The broken-down hotel on its terminal beach is an enthralling setting—and photographed with a fabulous geometry of light and shadow by French veteran Henri Alekan. And a solipstic surrealism leaps into all the empty cracks in the characters' lives. An actor (Jeffrey Kime) films his own mock-drowning in the bath. An actress (Rebecca Pauly) practises the violin, complete with music-stand, on the bleak and windy pool-edge. The script-girl (Viva) draws pencil landscapes or drawls scatty critiques of the "framing" in polaroid photos.

The film's last section has the gaunt and broody director (Patrick Bauchau) whisking himself off to Hollywood to track down producer Gordon. He finds him—played by paunchy and high-strung Allen Goorwitz—hiding out in the mobile home with his friend Herbert and a dog, and a round-the-clock fear of his gangland creditors who want to kill him.

Suddenly, a touching down in California, we're re-routed into a "story." And with perfect logic the film's fascination with structure and void has taken on the further, final edge of a duel between narrative and non-narrative cinema, the "American" and "European" traditions. A movie that seemed in the retinal fog of its Venice showing to be a long runic doodle capped by a "Hammett's revenge" snipe at Coppola and Hollywood proves, with clear visibility, to be all-of-a-piece and about eternally fascinating varieties of art and lift.

And now for several things completely different. *Airplane II* carries on where *Airplane I* left off, shaking its jester's cap-and-bells 30,000 feet and more above the ground. Peter Graves is again our captain, this time piloting the first passenger shuttle to the Moon. Scatter-brained sylph Julie Hagerty is once more at his side, offering coffee and comfort. Back in economy class, Robert Hays as the drink-fraught ex-test-pilot still subjects fellow passengers to his life story and ordeal-by-flashback. And down on Earth, Lloyd Bridges screws up his face ever tighter, resembling a dangerous lemming, as the sorely exercised chief of Mission Control.

Since as many of the gags take place in the background as the foreground, this is high-density zaniness in the best tradition of *Hellzapoppin* and the Marx Brothers. Who could resist the briefly glimpsed poster for *Rocky 38*, in which an aged and wizened old bruiser stands glaring out at the airport lounge in oversize shorts? Or, when Hays escapes early on from a mental asylum, the lightning-brief and debonair appearance of Jack Jones outside the wall, singing loudly with full-band accompaniment in a single bright spotlight? Ken Finkleman wrote and directed, and as sequels go *Airplane II* is supersonic.

*

Kohei Oguri's *Muddy River* from Japan is one of this year's contenders for Best Foreign Film Academy Award: which only shows that the Academy moves in mysterious ways its statuettes to distribute. This turgid concerto for Oriental heartstrings is directed *molto troppo adagio* by Mr O, and the main problem with the impeded river of the title is that it is silted up with schmaltz.

Two nine-year-old boys befriend each other, one the son of modern riverside restaurant-owners, the other a houseboat dweller whose mother is revealed, after much mystery, to be a lady of pleasure. Each boy, plus the houseboat one's little sister, is played for extreme pathos and has round, large, luminous eyes, which make one suspect that they are from the Osaka branch of the Midwich Cuckoos.

*

Party Party has one great acting asset. Daniel Peacock, who plays a gormless sexual go-getter who can't get going, is this year's most promising recruit to the Leonard Rossiter School of Dislocated Jaw Acting. Peacock's ferrety, eyebrow-twitching, rubber-chinned menace to partygoers is a delight. He also, unfortunately, helped to write the screenplay, for which, along with co-writer and director Terry Winsor (formerly of the National Film School), he must stay behind after class to be punished. Gale-force ribaldry, horrible colour filters and head-and-shoulders camerawork rule (not OK), as the young foregather to provide Britain's answer to *Porky's*.

Britain Salutes New York

The most significant sponsorship of the arts by business opens on April 13 when "Britain Salutes New York." Around $3m has been spent by industry in financing the biggest overseas celebration of British arts, with local firms on the ground in New York spending another $1m on co-incidental events.

A British arts *festival* to celebrate the bicentenary of the 1783 peace treaty between the U.S. and the UK was first mooted by David Lloyd-Jacob, a former chairman of Amcon, the U.S. subsidiary of Consolidated Gold Fields. He not only put energy into the idea but Amcon has led the sponsors with $500,000 which has gone mainly into administration and promotion.

Other major events will be 80 Holbein drawings from the Windsor Castle collection to be shown at the Pierpont Morgan Library, with Mobil as the sponsor, and masterpieces of British art from the Royal Academy collection, which BATS U.S. is bringing to the National Academy of Design.

In the contemporary arts Joint Stock, Hesitate & Demonstrate and the Impact Company are booked for New York; there will be a rock concert, probably featuring Queen, retrospectives of British television programmes at the Museum of Broadcasting and a salute to British cinema at the Museum of Modern Art.

The arts in New York have responded to the idea. The New York Philharmonic is playing programmes of music by 20th century British composers; the Opera Ensemble of New York is presenting Britten's *A Midsummer Night's Dream*; and the Harlem School of Arts Maxwell Davies's *Cinderella*. At least fifty art galleries in New York plan to show works by contemporary British artists.

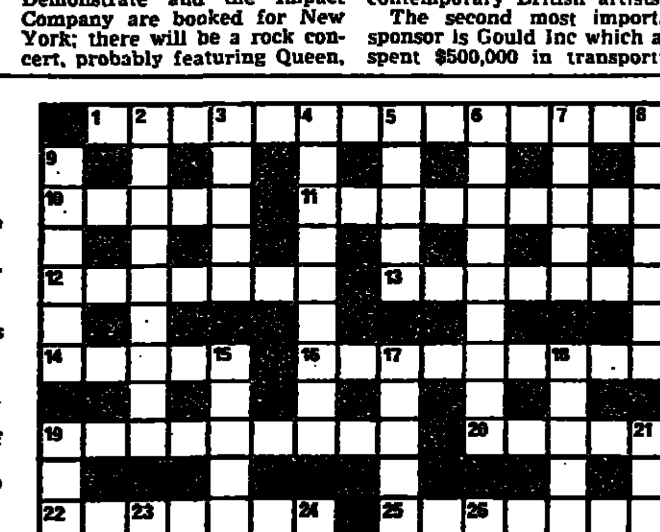
The second most important sponsor is Gould Inc which also spent $500,000 in transporting representative sculptures by Henry Moore for what will be the largest exhibition of works by a living artist at the Metropolitan Museum.

Britain Salutes New York, has attracted many new sponsors to the arts: C. E. Heath and Co., is helping to finance an exhibition of jewels by Fabergé, many from the Royal collection at Sandringham, and J. H. Minet is arranging a show of British book illustration, including works by Hockney and Hamilton.

The British Council has put $100,000 into the event which obviously has good commercial implications for British exports.

ANTONY THORNCROFT

F.T. CROSSWORD PUZZLE No. 5,077



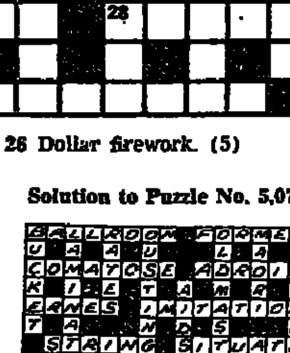
ACROSS

1 Does it grow for the aristocracy ? (5, 3, 6)
10 Sailor has no right to stop. (5)
11 Course tips ? (9)
12 Detail Caledonian to press for divine punishment. (7)
13 Empty exhaust. (7)
14 Work oriental dress material. (5)
16 Boy and girl meet King of Kent. (9)
19 Teach unit manoeuvre to become trustworthy. (9)
20 Juice I would find tasty. (5)
22 Artist back with objection—America has strawberry tree. (7)
25 Where sisters advance ? (7)
27 A graduate on the German wanted list ? (9)
28 Boredom in Paris. (5)
29 Maybe lament at editor being ragged fellow. (14)

DOWN

2 Not one to fear heights ! (9)
3 Prevent animals surrounding junction. (5)
4 Humiliation of a low position (9)
5 Tricked by bad cheque going round school department. (5)
6 A corporal is in trouble without gunner in Athens. (9)
7 Dean entertains student by fireside (5)
8 Mistrust when we object quietly in the party (7)
9 Game of cards—idiot goes in to gamble. (6)
15 Choose slender stick for English conductor. (9)
17 The weight of grief after Priam's son loses King. (9)
18 Dr Zamenhof's aid to communication. (9)
19 A mother worker is unyielding. (7)
21 Extract from little girl's sesame. (6)
23 Live determined to perplex. (5)
24 Agreed with many supporting team. (5)
26 Dollar firework. (5)

Solution to Puzzle No. 5,076



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Foreign banks in Australia

AUSTRALIA'S decision to open its doors to a limited number of foreign banks is long overdue. The local banking system has a reputation as being one of the most profitable and uncompetitive in the world and will benefit from a fresh breath of foreign competition. Nonetheless, it is a brave move.

The initiative, which has been masterminded by Mr John Howard, Australia's Treasurer and deputy prime minister, is not going to receive bipartisan political support; and it has already ruffled the feathers of the local banking community which is worried about what the new entrants will do to their lucrative margins in areas like foreign exchange and domestic lending.

Allowing foreign banks to compete on an equal basis with Australia's big four trading banks, which together control nearly 90 per cent of the trading bank market, is one of the key recommendations of the 1981 Campbell Commission report on Australia's financial system—the first in 45 years.

Efficiency

The dominant theme running through the report is that Australia will be better off in the long run if financial markets are allowed to operate more freely and with less official intervention.

Increased competition in Australia's banking system will be good for efficiency. In the short-term at least competition is more likely to be spurred by the entry of foreign foreign banks than through the emergence of new domestic competitors.

While most Australians sympathise with the sentiments of the Campbell report, it is now accepted that on the foreign bank issue, Campbell's arguments and proposals needed considerable refining before they could be implemented.

Campbell dismissed the need for local equity participation in foreign-owned ventures on the grounds of economic efficiency. He also ignored the fears of the big trading banks that they would be left running a large and costly rural branch network while the foreign banks concentrated on servicing the handful of major conurbations where the vast majority of Australians live.

Australian banks argue that foreign banks already control close to a fifth of the country's financial assets through their stakes in local merchant banks, finance companies and money market operations. Foreign banks cannot issue cheques, and trade on the official foreign exchange market, but they can do virtually everything else.

The Australian banks are particularly worried that they will be put at a disadvantage because they still have to abide by official controls on certain parts of their business, while the foreign banks will be free to choose which areas they want to move into.

From the foreign banks' point of view Mr Howard has been as flexible as they could reasonably wish in framing his proposals. Banks will have to operate through subsidiaries and "provide a wide range of banking services and a reasonable branch network."

He also left the door open for foreign banks to have majority control of their Australian ventures where "the net economic benefits outweigh the general desirability of an effective partnership between Australians and foreigners."

In an effort to calm the fears of the local trading banks, Mr Howard has also reiterated the Government's view that "foreign banks should not have an unfair competitive advantage vis a vis existing domestic banks in their on-going operations."

If the government really means what it says it should speedily abolish the remaining controls over the local trading banks so that they can meet foreign competition on an equal footing. With market rates below the official ceilings, it would seem a politically painless time to complete the process of interest rate deregulation.

Ambition

Provided the entry of foreign banks into the trading bank system proceeds (and with an election due before the year end this is by no means assured), Mr Howard will have gone a long way towards implementing Campbell's main recommendations and fulfilling his ambition to reform Australia's financial system.

One of the last major policy initiatives he has to take, is to abolish Australia's foreign exchange controls and free the exchange rate. But on this score Mr Howard faces even more daunting opposition than he did on the foreign bank issue.

Back to the engine room

THE SERPELL REPORT on the financial prospects for British Rail has already had a poor reception from the British Rail board, from some outside experts and, most significantly, from one of the committee's own members, and we cannot dissent from this judgment. It is an unhelpful report, and probably misleading in important respects.

However, the hard-worked committee is only partly to blame for this sorry outcome; its brief was vague but potentially far-reaching, and it was given far too little time to fulfil it adequately. We are now back where we began: with a loss-making railway, and no official transport policy. As the committee points out in its most telling (and unanimous) finding, it is hard to expect efficiency from British Rail until it is given a clear policy direction, and the resources to carry it out.

Trenchant

What went wrong, apart from haste? In a trenchant paragraph in his minority report Mr Alfred Goldstein observes: "The history of railways in Britain is not short of inquiries, whether by committee, commissions, departmental or inter-departmental groups. A fair question would be to consider why the present committee and its work should lead to a much improved railway.

"I had hoped that one of the reasons would be that we would examine the railways from a quite fundamental standpoint: that we would recognise that while finance was our *raison d'etre*, many issues we were considering were essentially transport issues."

These hopes are clearly disappointed, and this is the fundamental weakness both of the report (which takes too short a view, for the most part), and of its remit, which is too closely limited to financial forecasting. Railway policy cannot be discussed in isolation, even in financial terms, without an analysis of the reasons why railways everywhere lose money, and yet are thought worth sustaining.

The brief discussion of this question in the report is completely valueless, since it treats railway subsidy as a matter of social rather than of transport policy, and discusses costs without even mentioning benefits. Yet the whole *raison detre* of subsidised railways is a transport question—the need to serve existing conurbations which grew up before the railways faced serious road competition, the need to avoid congestion and the costs of alternative solutions, and the fact that railways, thanks to large unachieved economies of scale outside commuter peak hours, can offer benefits to users which exceed the cost of subsidy. These issues are almost entirely ignored except in the minority report, which at least draws attention to some of them.

A forward plan for 20 years must also take account of another fact: the urban structure which grew round the railways is now changing rapidly. People and jobs are moving out of the conurbations on to the motorway network, creating a problem of inner-city decline of which railway losses are only one aspect.

It would be unfair to ask a four-man committee to confront the whole of this complex and obstinate challenge to government; but at least a fact which is now a matter of obsessive concern in the property world should be recognised for its traffic implications. The financial projections in Serpell seem to rely on an unchanged pattern of urban life and travel, and are thus invalidated Unfortunately the technical suggestions and their possible financial results are also challenged, both by the board and in the minority report.

Impossible

Is anything of value left? The finding that some parts of the network are disproportionately expensive is hardly new, but it is telling; a really full analysis, impossible in this timescale, would almost certainly suggest closures, and quite modest ones would produce major savings. Mr Goldstein also has some pithy suggestions on management: if the Department is dissatisfied with the board policies it should change the board rather than second-guess it. The board's own recent efforts get encouraging marks, too. But this is still a play without a protagonist. A policy, please, Mr Howell.

POLITICS TODAY

A truce with the Foreign Office

By Malcolm Rutherford

QUITE THE worst paragraph of the Franks Report on the way the British Government discharged its responsibilities in the period leading up to the Argentine invasion of the Falkland Islands is the last.

The latter part of it runs: "If the British Government had acted differently in the ways we have indicated, it is impossible to judge what the impact on the Argentine Government or the implications for the course of events might have been. There is no reasonable basis for any suggestion—which would be purely hypothetical—that the invasion would have been prevented if the Government had acted in the ways indicated in our report. Taking account of these considerations, and of all the evidence we have received, we conclude that we would not be justified in attaching any criticism or blame to the present Government for the Argentine junta's decision to commit its act of unprovoked aggression in the invasion of the Falkland Island's on April 2 1982."

It is the use of that word "any" in the final sentence *which sticks in the gullet. No* criticism, *no* blame for what Lord Carrington, the resigning Foreign Secretary, called a "national humiliation" and has led to what the Prime Minister described this week as no alternative to a policy of "Fortress Falklands" for the foreseeable future?

The conclusion totally defies the evidence of the report and it is a mystery why that final sentence should be there. On the specific question of whether the invasion could have been foreseen, *the only justification* of the Government's conduct to emerge from the report is that it could not reasonably have been expected to take place as early as the beginning of April.

It had been reported for years that some kind of Argentine military action, perhaps falling short of direct invasion, was a possibility and it was well known to the Foreign Office early last year that the situation was becoming unusually tense. The sole surprise was the timing.

For the rest, the Franks Report is a chronicle of government errors, of a government machine which is not well co-ordinated, and of a weakness in the British position which was well concealed only because most people chose to ignore it.

Every official and every Minister who had to deal with the Falklands over the years came to the conclusion that it would be difficult to defend the islands against an Argentine invasion and that at some stage an invasion might be launched. That goes not just for those who might be described as liberals, appeasers or defeatists.

Mr Nicholas Ridley, the Foreign Office Minister who sought to negotiate a settlement, woul not normally be placed on the left wing of the Tory Party. Neither would Mr Ray Whitney, the former diplomat and now Conservative MP who bravely urged caution in that famous House of Commons debate of Saturday, April 3. Mr Whitney had learned from his diplomatic experience the intractable nature of the problem.

The single major criticism of the Foreign Office to emerge from the evidence of the report seems to me it had long been aware of the difficulties, but that it was reluctant to draw them to anyone else's attention.

That is a telling accusation, but there must be some sympathy for the Foreign Office's approach. When Lord Carrington analysed the problem in 1979, Mrs Thatcher didn't want to know about it. He came to the conclusion that both the "Fortress Falklands" option and that of continuing talks with Argentina without making any concessions on sovereignty carried a serious threat of invasion. He preferred substantive negotiations on sovereignty and circulated a memorandum to the Prime Minister and other members of the Defence Committee to that effect. Mrs Thatcher postponed the discussion.

The former Foreign Secretary is criticised elsewhere in the report for refusing to back a proposal by Mr Ridley and his officials for an active campaign to "educate" British and Falklands opinion in favour of a change in the islands' status. Possibly he was too timid, but again one can understand the reasons.

Lord Carrington foresaw the likely reactions from Mrs Thatcher, from the rest of the Tory Party, from the Labour Party and from the islanders themselves to any suggestion of a British sell-out and chose not to risk them.

The report suggests, with the wisdom of hindsight, that he was wrong, and I have heard some foreign policy experts agree. But I wonder. Even if the Foreign Secretary had fought the matter to the point of resignation in 1981, it seems to me that the case for conciliation would still have been lost. The "keep the Falklands British" lobby would have been strenghtened and, with it, the risk of a military confrontation with Argentina sooner or later.

It was better to seek to do good by stealth in the hope that negotiations might succeed, despite the fact that Lord Carrington knew that this might be no more than an exercise in playing for time.

Subsequent reaction in Britain to the Argentine invasion and to the British response suggests that the Foreign Secretary was right. A campaign to "educate" opinion in favour of diminished British sovereignty over the Falklands would have got nowhere and may even have been counter-productive.

Where the Foreign Office scores on the evidence of the report is in producing, by and large, an accurate analysis. It knew that the British position was difficult, it warned that there might be an invasion one day and it outlined the policy options. It was not the Foreign Office, for example, which wanted to withdraw *HMS Endurance*, a decision of which the Franks Report is especially critical. It was the Ministry of Defence, under pressure from the Treasury to cut costs. The Treasury was backed by the Prime Minister, as no doubt Sir John Nott, the former Defence Secretary, will some day testify.

Provision of analysis for policy-making is one of the Foreign Office's main tasks. Now that it has been shown to have been broadly right on the *Falklands issue, I hope that the* attacks on the department will stop.

As it happens, there is some evidence that a reconciliation between Mrs Thatcher and the diplomats was taking place even before the report was published. A turning point came last week when the Prime Minister needed to be briefed on Cruise missiles and related matters for her television interview on Weekend World last Sunday. She was much impressed by Foreign Office officials.

Anyone who watched the programme carefully will have noted the intense concentration with which she described the history of the Geneva negotiations on intermediate nuclear forces. "Could we just go on a little longer?" she asked, afraid that the subject might be prematurely changed. In fact, she had virtually memorised a Foreign Office brief.

There are some important points here which go beyond presentation. The Prime *Minister has been persuaded* that nuclear weapons are a major electoral issue which cannot be handled simply by the old rhetoric. There have also been some changes of substance. Mrs Thatcher no longer talks as if there is no alternative between the zero option and full-scale deployment of cruise missiles.

Mr Francis Pym, the Foreign Secretary, acknowledged that some time ago and officials have known it all along. As the Prime Minister agreed with her interviewer on Sunday, in the negotiations with the Soviet Union, "we may not get immediately to zero-zero." She added: "There is nothing new in that. It is an aspect which has not been highlighted by the commentators. It was inherent in the original decision in December 1979 and in the negotiations since. Totally inherent in it."

Mrs Thatcher was wrong about the commentators. Anyone who has followed the negotiations always *knew that the* zero option was an opening position and that the aim was to achieve a mutual scaling down of the numbers deployed. What is new is that she is now taking the talks seriously and appreciating their complexity. For that she needs the Foreign Office.

One other subtle change in the Government's approach to arms control was detectable at the weekend, when Mr Michael Heseltine, the new Defence Secretary, appeared on Channel 4's Face the Press. He met every question about unilateral disarmament by referring to "one-sided" disarmament. The two terms mean the same thing, but there is a world of difference between them in getting across to a wider audience.

The rapprochement between No. 10 and the Foreign Office still has some way to go, but there appears to have been some progress on the Middle East. A basic problem here is Mrs Thatcher's deep-rooted belief that the Palestine Liberation *Organisation is still* essentionally a terrorist organisation rather than as some Ministers would say nowadays "more killed than killing." Yet the Prime Minister has been made aware that the refusal to receive the mission led by King Hassan of Morocco because it included a senior PLO official has led to acute diplomatic difficulties.

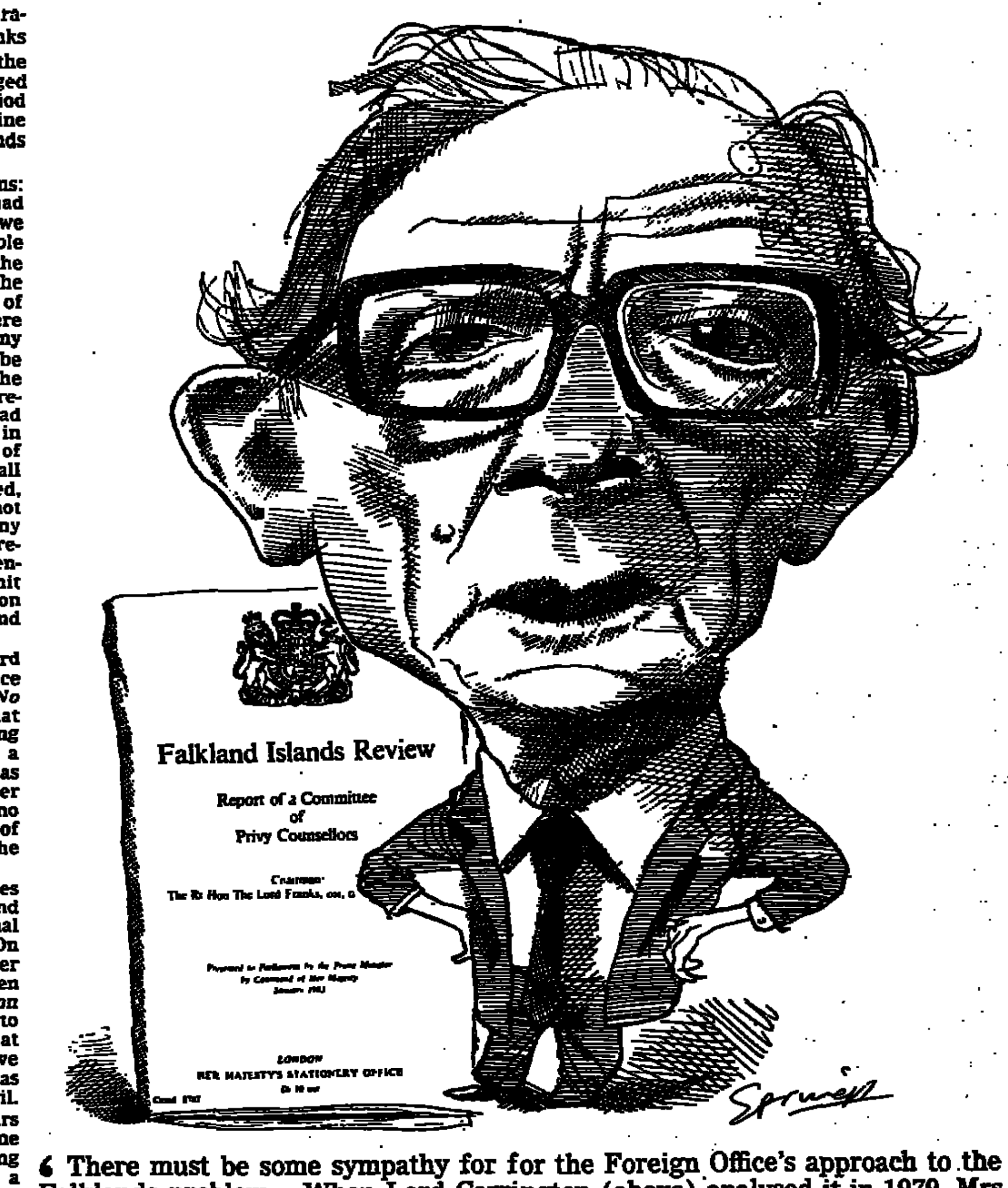
Incidentally, there is also a King of Morocco problem since he took umbrage at his proposed engagements: lunch with Mrs Thatcher and dinner with the Queen. Hard to know what more to offer. But it seems that a meeting is being put together again.

Consideration is being given to a new major British policy statement on the Middle East, possibly co-ordinated with the French. The nearest precedent would be Sir Alec Douglas-Home's speech as Foreign Secretary in Harrogate in 1970 when he set out a broad framework for a settlement. Yet at present that is just a thought.

Europe, that other great source of friction between Mrs Thatcher and the Foreign Office, is still to come, and it is impossbile to say which way it will go. It would also be wrong to claim that the relationship between the Prime Minister and Mr Pym has become in any way a comfortable one. The Foreign Secretary over-reacted to the appointment of Sir Anthony Parsons as a special adviser at No 10. In fact, as a former diplomat and Arabist, Sir Anthony's presence is a helpful one, and he played a soothing role on the Middle East. But at the beginning it rankled.

What has happened now is a kind of truce with both sides recognising that they need each other. That is all to the good, though it could be better. Mr Pym is unlikely to cheer up completely so long as sources close to Mrs Thatcher continue to snipe at him.

Last week The Economist (of *all papers*) reported of the Prime Minister's visit to the Falklands: "Astonishingly, even the Foreign Office was not informed until a Downing Street duty officer rang to say that Mrs Thatcher was on her way." Anyone who knows anything about communications must recognise that as untrue. Yet it has now passed into the mythology of "Mrs Thatcher v the Office."



❛ There must be some sympathy for for the Foreign Office's approach to the Falklands problem. When Lord Carrington (above) analysed it in 1979, Mrs Thatcher didn't want to know ❜

Men & Matters

Balancing act

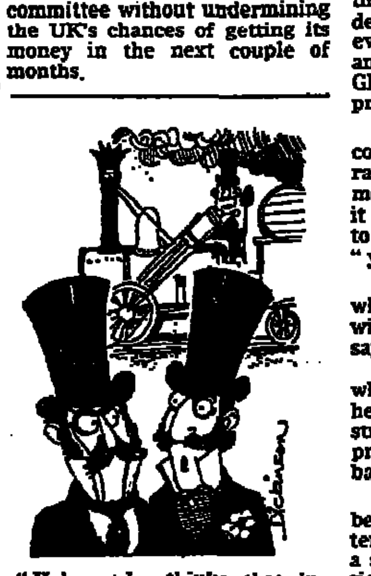
Robert Jackson, the 36-year-old Conservative member of the European Parliament, was handed the month's poisoned chalice yesterday when he was appointed a rapporteur for the Parliament's key budget committee. This puts the lanky Fellow of All Souls firmly in charge of steering through the Parliament the controversial supplementary budget designed to pay back to Mrs Thatcher £490m of the money the UK handed over to the EEC last year.

There are already doubts whether the necessary majority can be mustered to get the money into London by the end of March. If it is not in the Treasury by then, it is five pounds to a penny that Downing Street will decide to dock it off the monthly transfers to Brussels.

Somehow or other, Jackson has to represent faithfully the somewhat prejudiced views of his colleagues on the budget committee without undermining the UK's chances of getting its money in the next couple of months.

Despite failing to win Manchester Central for the Conservative cause in October, 1974, Jackson's Westminster ambitions appear stronger than his desire to stay with the European Parliament.

He was shortlisted for Stratford on Avon recently but missed the nomination. His performance over the next few weeks will not be without interest in Conservative Party circles and could determine whether his future lies in Strasbourg or Westminster or, perhaps, in neither.



"He's mad—thinks that in the future they'll be run as a social service."

Credit account

Though the governor of the Bank of England, it seems, has to mind his Ps and Qs, other central bankers are less inhibited.

Erik Hoffmeyer, governor of the Danish central bank, who two years ago compared the conduct of the Danish economy to the rake's progress, has now likened the public's attitude to the country's enormous foreign debt—DKr 30,000 (£2,270) for every man, woman and child and about 30 per cent of the GDP—to the alcoholic's approach to his next drink.

Whenever the issue of the country's creditworthiness is raised, Hoffmeyer says, all the media wants to know is whether it is possible to get another loan, to which the answer is always "yes."

"This is like the drunkard who asks if one more drink will kill him," the governor says.

Hoffmeyer asked his wife, whether she thought it would help if he went on hunger strike until there was an improvement in the current balance of payments deficit.

She replied that he would be dead long before the external balance was improved by a single krone—and if any politicians attended his funeral, they would wipe away imaginary tears and conclude that the balance of payments had been buried as well.

It would rapidly be resurrected, however, says Hoffmeyer, apparently confirming that his opinion of Denmark's creditworthiness is no better, if less orthodox, than the American agency Standard and Poor's which has reduced the *kingdom's rating from triple A* to double A plus.

Parting words

Sad to hear of the end of that sparkling labour/literary partnership between Clive Jenkins and Barrie Sherman—but I am cheered by the news that divorce will not affect their fecundity.

Jenkins, the not-so-quite-so-bouncy-as-he-used-to-be general secretary of the white-collar union ASTMS, is now writing a book about unemployment and says he is touring the country conducting in-depth interviews on the subject.

Sherman, made "amicably" redundant from his job as ASTMS research director after a tiffette with Jenkins over a TV series, tells me he is set to work a 16-hour day on leisure pursuits.

He has been hired by the Henley Centre for Forecasting as an associate director, and will work with the Centre's team which produces "Leisure Futures," *the publication which looks forward* to a world with little work and much free time.

Sherman is also finishing a book about computers, starting another trade unions ("unions face real difficulties now; the halycon days of the 1960s won't come back again, or if they do they won't be as halycon"), producing the Channel Four TV series that caused all the trouble, giving lectures at London Business School, and contemplating two novels.

One of the novels, he says, will be set within a union which may have certain similarities to ASTMS. Will Clive figure in it? "If he does, he'll be a woman," says Sherman, displaying powerfully inventive imagination at an early stage.

Berlin welcome

Conductor Herbert von Karajan appears to be coming out on top in a heated dispute with the Berlin Philharmonic orchestra over the musical merits of a young Munich clarinet player, Sabine Meyer, aged 23, whom he wants for the orchestra.

He finds her playing "inspired." But the orchestra, which has the right of veto, turned her down saying she was a good soloist but not a good team player.

As the row rumbled on, the angry 74-year-old maestro told the orchestra he was suspending all tours with the Berlin Philharmonic including its appearances at the Salzburg and *Lucerne festivals, as well as* television, film work, and recordings—all of which are a gold-mine for the participants.

Now Dr Peter Girth, conductor of the Philharmonic, has announced that the attractive clarinettist is to be given a contract and will thus become the second woman ever to join the orchestra.

The orchestra remains unmollified, however, says my man in Berlin, and is corporately threatening to go to *court if its rejection of Sabine* Meyer is not confirmed by the West Berlin city cultural administrator.

As for von Karajan, who has conducted the Philharmonic for nearly 30 years, he is playing the musical power game from his winter home in St Moritz.

Sideslip

Heard about the male crab who arrived home late one night and was confronted by his angry mate? "I *know* you're drunk," she complained, "you walked straight up to the front door."

Observer

CRISIS FOR WORLD SHIPPING

'There are just too many ships'

By Andrew Fisher, Shipping Correspondent

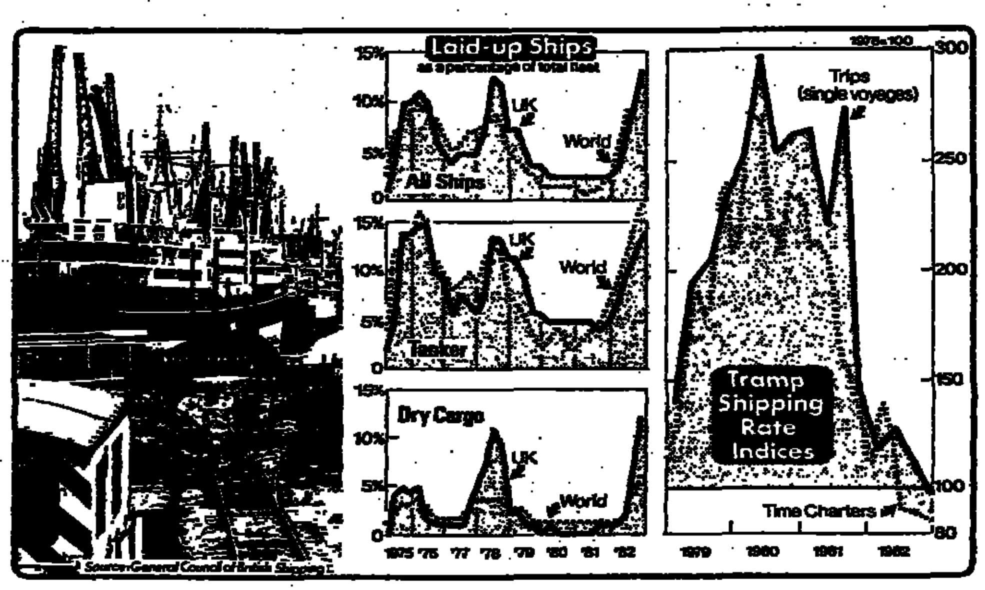
THE WORLD shipping crisis, the worst in living memory, is straining the resilience of even the toughest and most ebullient owners. The biggest and financially strongest are determined to survive, but they believe that many others will not.

"The waters are rising up against the dike," says Mr Gregory Callimanopulos, head of Hellenic Lines. Comments Mr Frank Chao, head of Wah Kwong, with a major Hong Kong fleet: "As far as the shipping market is concerned, I'm very worried; as far as Wah Kwong is concerned, I'm not."

Freight rates are in the doldrums, lay-up and scrapping figures at record levels, and little chance is seen of an early U.S.-led economic recovery. About 12 per cent of the world fleet is idle.

The crisis is putting a strain on bankers as well as shipowners. For example, the London end of Colonial Bancorp of the U.S. ran into trouble over loans to Greek shipowners which meant losses for the overall group of $15m to $19m last year.

In all, international banks have an estimated $50bn to $60bn of mortgage loans on ships and a further $25bn on vessels still being built. A quarter of that could be at some risk, some leading shipping bankers feel.



Brana Radovic

North European fleet will emerge much reduced

The banks are hoping to nurse their shipping borrowers through the next year or more by restructuring debt when possible.

"We try to make sure there is enough cash to keep an owner going over a three to four year distress period," according to Mr James Wallace, a vice-president of America's Citibank.

"Even so," he adds, "in a down market cash can't last forever."

The crisis could therefore mean some significant changes in the shape of the world shipping industry. Mr Atle Jebsen, a leading Norwegian owner, believes North Europe fleets—in the UK, Norway and West Germany—will emerge from the recession much reduced and with more specialised vessels.

For example, Hapag-Lloyd, the big West German shipping and transport group, announced in December a major and costly reorganisation. It is completing its withdrawal from tanker and bulk shipping, the two most hard-hit sectors of the industry, and is fixing up a DM 110m sale and leaseback deal on its Hamburg headquarters. Operating and other losses from the reorganisation of some DM 300m ($120m) are likely to have to be met in its 1982 and 1983 accounts.

The UK fleet has dwindled sharply in recent years as a result of the tanker crisis, over-investment, and world recession. Shipowners are seeking help from the Government and the sale this month by loss-making London and Overseas Freighters of four bulk-carriers for $20.6m shows how severe the cash needs of many owners have become.

Nedlloyd, the Dutch group, is considering the withdrawal from service of about 12 of its older, non-container vessels.

In the Far East, too, companies are feeling the pinch. Ednasa, a small Hong Kong operator, sold seven assorted cargo ships on the second-hand market a few weeks ago for $22m. Companies in Japan, with one of the world's largest fleets, are highly cautious about investing further. Mitsui OSK Lines, for example, sees no upturn for some time "and certainly not in the short term."

The effects of the recession have been exacerbated by an over-optimistic ordering of new vessels in the 1970s.

The industry is having to face up to "the realities of its own lousy investment decisions," according to Mr Paul Slater, an independent operator in the finance field with U.S. institutional backing.

Citibank's Mr Wallace adds that owners have shown a "voracious appetite" for new ships "when just a glimmer of cargoes to be carried appears on the horizon."

An excessive supply of shipbuilding capacity is "probably the origin and continuing cause of the shipping crisis as we see it today," according to Hapag-Lloyd's Herr Kruse.

All these forces have, of course, hit the three major types of shipping market in different ways:

● The tanker market crisis has been the most prolonged and there are now some 70m dwt of oil-carrying vessels idle out of a total fleet of some 300m dwt. More than 25m dwt were sold for scrap in 1982. Oil majors such as Exxon, British Petroleum and Texaco have also been shedding tonnage.

With energy demand down and the long-haul routes from the Middle East less important as provinces such as the North Sea and Alaska have been opened up, demand for big tankers has fallen dramatically.

● The bulk market, handling commodities like grain, iron ore and coal, is suffering badly from weak rates and surplus tonnage.

In January 1981 the rate for moving 55,000 tons of coal from Hampton Roads on the U.S. East Coast to Japan was $28.50 a ton. By August it had collapsed to $11.20, before firming slightly to $12 last month.

Admittedly the January 1981 rate was unusually high—in part the product of port congestion at Hampton Road. But the heady view taken of future coal trade prospects encouraged many owners to order new bulk tonnage. Those ships are now coming on to a highly depressed market.

The bulk carrier fleet of 154m dwt at the start of 1982 could approach 180m dwt by 1985. Several owners have postponed deliveries. And lay-up figures for tankers and dry cargo ships have risen astronomically. Figures from the General Council of British Shipping (GCBS) show that 81.5m dwt, or 12 per cent of the world fleet was idle at the end of November against just under 23m dwt the year before.

Equally alarming is the trend of the tramp trip charter index (1976=100) prepared by the GCBS to measure single voyage rates by general cargo carriers. This was 97 for December, having been as low as 79 in August; the peak was 275 in April 1980.

Mr Frank Narby, the Swiss-based head of Cast which survived last summer with a $200m rescue package from banks and shareholders, says that "there are too many ships out there and no damn demand."

Cast, controlled from Canada with Mr Narby the main shareholder, was in the midst of a $400m expansion programme when the financial storm hit. Its operations span container and bulk shipping and it was the collapse in bulk rates which caused most of the trouble.

Rates have not bottomed out in his view. Until there is an upturn—possibly within three years—"a large number of us will have a very miserable time, paddling along, not doing very much and keeping our heads above water," says Mr Narby.

● Among liner operators, now mostly computerised, there is general agreement that this year will remain firmly flat. Several have spent large sums on updating fleets and equipment. Hellenic, the large Greek line, has invested $320m, American President Lines (APL) $600m, Overseas Containers Ltd (OCL) $260m, and Evergreen of Taiwan is in the throes of a vast $630m programme.

APL's Mr W. Bruce Seaton, president of the Natomas subsidiary, is sanguine about prospects on the Pacific, between the U.S. and growth-oriented Asian economies—"we're not overcome with gloom and doom." He accepts that 1983 will probably be a hard year, but "we're not about to jump over the bridge."

San Francisco-based APL recently took delivery of the President Lincoln, the biggest container ship ever built in the U.S. and the first from there with a diesel engine. The Washington and Monroe will follow next year.

These highly automated ships, saving 30 per cent on steam turbine vessels, show how groups have to invest to maintain their presence on world routes. Sea-Land of New Jersey, another big investor, is benefiting from lower costs as a result of new tonnage and shore facilities.

At OCL, the British group owned by three major shipping companies, the mood is fairly subdued. OCL is a major trader to the Far East and ports in between and in the view of its new chairman, Mr Kerry St Johnston, "it will be definitely into 1984 before anything really significant happens."

Back in the summer, he hoped 1983 might see some upturn. "For most people like us, in the liner business, it's going to be a highly competitive, hard year." But OCL intends to spend in the next five years around $160m on such asset replacements as containers.

Apart from the big spending by Evergreen, a major non-conference outsider which recently reached a rate accord with the powerful Far Eastern Freight Conference, the main worry of container lines is the $770m investment in 14 massive container ships planned by U.S. Lines.

The order, with Daewoo of South Korea, is still clouded with some uncertainty, not allayed by the secretive U.S. Lines which is headed by container pioneer Mr Malcolm McLean. With the associated land facilities and containers, the investment would be well over $1bn.

All sections of the industry face a rough passage

The deal would put a huge slice of extra capacity onto an already over-supplied market. "A megalomaniac idea" and "the most irresponsible thing in the last decade" are some critical views from other leading liner operators.

Whether or not the deal goes ahead, all sections of the industry clearly face a rough passage in the next few years—and the attitude of their bankers could be crucial to survival.

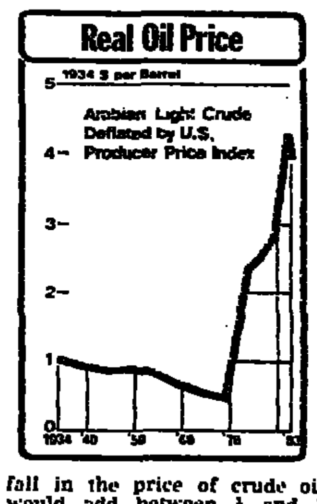
Says Mr Michael Revell, director of Shipping at Marine Midland Bank of the U.S.: "We are saying to our clients, 'plan for a depression as bad as we have now for two years.'"

Lombard

The faded lure of cheap oil

By Nicholas Colchester

THE STRAINS in the world credit system have shown how adapted to, and almost dependent upon, inflation the world economy has become. Now similar warnings are being voiced about the oil price. The rise in the price was painful, say the pessimists, but the world has since invested so much in the higher price that a fall will hurt too.



Mexico's predicament is at the heart of this argument. Its extravagant pyramid of debt was built upon oil and was therefore undermined when the oil market weakened. The resulting debt crisis shook the international banking system. Mexico's finances were propped up just in time but they certainly remain in no fit state to withstand a substantial fall in the oil price.

The Mexican debt crisis led straight to the Brazilian one. This was a cruel irony, for a substantial part of Brazil's cumulative balance of payments deficit during the 1970s had been due to the Eiger-like rise in the oil price shown here.

In fact, the global debt statistics show how perverse it would be if a fall in the price of oil set the dominoes of international debt tumbling. At the end of 1982, according to the OECD, the total disbursed gross foreign debt of the developing countries will be around $626bn (£401bn). Of this, roughly $190bn is owed by the Opec countries and Mexico, implying that the exposure of countries which want the oil price to remain high is still considerably smaller than those which have to import oil.

The case is more finely balanced if one concentrates upon the countries whose debt looms large in the discussions of bankers—Mexico, Brazil, Argentina, Venezuela, Poland, Romania, Yugoslavia, South Korea, the Philippines and Nigeria. Of these, the oil importers have bank debt of $98bn, the exporters $88bn, while Argentina, with debt of $22bn, is self-sufficient.

A fall in the price of oil should put debt on to a firmer footing by stimulating the world economy. Using an OECD model, Simon and Coates, the London stockbrokers, estimate that a $3-$4 fall in the price of crude oil would add between ½ and 1 per cent to the combined GNP of the OECD countries if the lower price were sustained over a full year. A stimulus of this order would compensate for a halving in the recent growth rate of bank loans to the developing world, or would have the same impact on the OECD economies as a 2 per cent fall in interest rates across the spectrum of maturities.

Of course the "oil-price-up" lobby is much wider today than it was ten years ago when its extreme narrowness created the need for the recycling of large sums of oil revenue. The whole of Britain's North Sea industry, the French nuclear programme, Brazil's lively export trade to Nigeria, the shrinking of Opec's share of world oil production from 48 per cent to 35 per cent since 1979 — these are all phenomena which are sustained by, and tend to limit, the rise in the price of oil. They are all jeopardised by weakness in the oil market.

Yet the overall debt figures and the OECD model suggest that old losers from a high oil price still outweigh the new gainers. This means that a slide in the oil price will be of net benefit to the world economy provided that the collapse of a new gainer, like Mexico, is not allowed to destroy confidence. It will be of little consolation to see most of the chain of world credit strengthened if one link is snapped in the process.

Letters to the Editor

Control over councils' capital expenditure

From the General Manager, Harlow Council

Sir,—I am pleased to see that you have now joined those who are supporting the abolition of central government control over local authority capital expenditure. This is a complex issue which the abolition of any particular control mechanism, though welcome in its own right, is unlikely to do much to resolve. But it is clear that control over new capital expenditure is counter-productive to macro-economic management since it tends to depress expenditure below any given national planning level and adds to the uncertainty already inherent in decisions concerning the medium-term outlook for the economy. The large underspend on capital allocations in this financial year has significantly depressed demand in the economy below the level planned by the Government. This is because the allocations, particularly housing, bore little relationship to what councils actually wished to spend. In the past it has been an increase in public sector capital expenditure which has been the means of recovery from recession, expenditure which besides its direct benefit to the construction industry tends to have a lower import content than other forms of economic pump-priming. It is going to be much more difficult to achieve this boost now because of the present much tighter network of controls.

Controls on capital expenditure are also unnecessary in order to reduce local authority expenditure as long as the following revenue expenditure consequences rest substantially with the councils concerned. In this respect the changes made by the Government to housing subsidy arrangements have brought home directly to Councils for the first time since the 1920s the cost of financing new housing schemes and this will continue to keep new public housing investment at a relatively low level.

The Government could abolish all capital expenditure controls without major consequences for economic management or for local government revenue expenditure. Abolition would allow councils to plan their own capital programmes in a rational and sensible way and would give the opportunity for an overall review of the situation so that the capital expenditure plans of local authorities could return from the Alice on Wonderland world of the present situation to a closer approximation to the real world.

Martin Easteal.
Town Hall,
Harlow, Essex

Concern over mergers

Sir,—Mr Anthony Nelson MP (January 19) is quite right in saying that my proposal to change the question in merger inquiries would be dangerous. But the danger would be to the continued complacent absence of a policy which would actively maintain and encourage effective competition.

The mergers about which there is justifiable public concern are those involving companies which are already either absolutely large and/or have substantial market shares. Such mergers inevitably reduce one dimension of competition by diminishing the number of independent competitors. The question is whether the current law gives that fact anything like enough weight.

Mr Nelson evidently believes that the Stock Exchange pressures work so perfectly that they can be left to deal with any problems created for shareholders by the exciting merger activity favoured by their directors—and their merchant bankers. But the evidence is that relative profitability does not typically improve after such mergers. What are shareholders supposed to be capable of doing about that?

If Mr Nelson wishes there to be enough effective competition left to justify his extreme laissez-faire—or is it just laissez-Minister? — approach, then surely he too should be pressing for a policy which would genuinely favour more competition rather than less.

Alister Sutherland.
Trinity College, Cambridge.

National Gallery competition

From Mr Rod Hackney

Sir, — Your architectural critic, Colin Amery, in his article on the final result of the National Gallery competition (December 31), overlooked mentioning that the Richard Rogers design, which he so evidently disliked, received by far the highest number of first choice votes cast by members of the public attending the exhibition of the seven short-listed designs last August.

It is clear therefore that Mr Amery's vitriolic comments (August 31) were *not* the views of many members of the public, who did not see the Rogers design as an example of, to use Mr Amery's own words, "the true spirit of punk; modern buildings designed as deliberate insults; as affronts; as crude and coarse expletives; that expose the realities of modern life."

In fact, nearly one-third of those voting found the Rogers design exciting, and the one they hoped would win.

So, while one might have questioned at the time the wisdom of the comment by Owen Luder, the President of the Royal Institute of British Architects, it now appears many more people agreed with his view than Mr Amery expected. Far from being "a moment of highest comedy" Mr Luder's comments stirred a level of interest and debate rarely seen on architectural issues in this country. That has to be welcome.

The result also shows, not so much that this competition was too important to be left to the architects, as suggested by Mr Amery but that it was too important for it to be left just to the architectural critics.

No longer will they be able to trot out their tired old phrase "the public hate modern architecture." The National Gallery voting proves that a considerable proportion given a clear opportunity to speak for themselves, like it.

Rod Hackney,
Drawing Office,
214 Black Road,
Macclesfield, Cheshire.

Worker participation

From Mr S. W. Penwill

Sir,—Mr M. O. Layton (January 13) cannot distinguish between proprietorship and employment. He is presumably a member of a union and as such is a part proprietor and entitled to participate in the direction of its affairs.

An employee is not in the same category but can become so if he becomes a shareholder in the company by which he is employed. There is already legislation to enable this situation to be accomplished.

Fuller participation should be encouraged in both fields—shareholders and union members have only their apathy to blame if the conduct of their companies or unions is not to their liking.

S. W. Penwill.
London International
Press Centre.
Room 5.23, 76 Shoe Lane,
EC4.

Sponsorship of the arts

From Mr M. R. Smith

Sir,—The controversy surrounding the appointment of the director of the Association for Business Sponsorship of the Arts as Secretary-General of the Arts Council has attracted some attention to arts sponsorship, revealing a number of misconceptions regarding sponsorship.

Three main misapprehensions have emerged. First, there is the fear that sponsorship results in "commercialisation" of the arts, ie exploitation by business in a manner detrimental to the arts. Arts sponsorship depends upon an equal relationship between business and the arts, out of which image related benefits can accrue to the sponsor. If this balance is upset then those benefits will not be forthcoming. The independence of the arts is one of the principal concerns of sponsors.

Second, the scale of arts sponsorship is not as inconsequential as has been suggested. In some cases business sponsorship can account for as much as 20 per cent of an arts organisation's funds.

Finally, it should be noted that the implied polarity of business and the arts is inaccurate. Arts organisations function as businesses; applications for Arts Council grants must be accompanied by a detailed budget demonstrating an anticipated deficit.

It is to be hoped that Mr Rittner's appointment will lead to the Arts Council adopting a more constructive approach to business sponsorship. As for Mr Rittner's suitability for the post, he will be judged by his results. His past record suggests that his new role will be of immense value to the arts in Britain.

M. R. Smith,
Manchester Business School,
Booth Street West, Manchester.

Savannah Gold Spirit

From Mr John Friedman.

Sir,—The beverage described in the article of the 12th inst is no doubt rum as it is made from sugar cane. Whilst most rums are made from sugar cane molasses, there are brands which are made from sugar cane juice, but no doubt the correct description is still "rum."

John Friedman.
20 Boydell Court,
St John's Wood Park, NW8.

FINANCIAL TIMES
Friday January 21 1983

NATIONAL SEMICONDUCTOR MAKES WAY FOR FRENCH ELECTRONICS SHAKE-UP

Thomson absorbs Eurotechnique

BY DAVID MARSH IN PARIS

THOMSON, the French state-owned electrical conglomerate, has agreed to take over Eurotechnique, the Franco-American semi-conductor company, in a key move to restructure the French electronics components industry.

National Semiconductor, the U.S. electronics company which at present owns 49 per cent of Eurotechnique, will receive payment of a symbolic FFr 1 for its share in the company, M Jean-Pierre Chevenement, the Research and Industry Minister, said yesterday.

The U.S. company, which formed Eurotechnique at the end of the 1970s with the now nationalised Saint Gobain of France, will, however, maintain a technological link with Eurotechnique.

Saint Gobain will transfer its 51 per cent stake to Thomson, setting the seal on the company's move out of the electronics business, put into effect after nationalisation.

The Thomson takeover will group the French electronics components industry around two "poles" – Thomson itself and the state-controlled electronics and defence group, Matra – each with a sufficient "critical mass" to take on foreign competition.

M Chevènement announced the agreement at the first meeting yesterday of France's National Electronics Development Committee, including industrialists, scientists, trade unionists and government officials. He re-affirmed the plan to raise France's status to the third largest force in world electronics after the U.S. and Japan, by dint of a FFr 140bn ($20.46bn) five-year investment programme whose main lines were announced last summer.

As part of the programme, M Chevènement said yesterday that government credits for the electronics sector would rise to FFr 8bn this year from FFr 6.2bn in 1982.

The research credits, principally from the Defence and Industry Ministries and the Post Office will be added to the own funds put up by companies, including foreign groups in France – plus loans from the banks and capital markets.

He also announced an eight-point development programme to boost France's electronics prowess. Projects will be set up ranging from computerassisted manufacture of silicon chips and programming developments to the establishment of a large French scientific and industrial computer.

The re-organisation of the components sector follows months of negotiations which M Chevènement described yesterday as "difficult."

Apart from Eurotechnique, France already has two other components manufacturers set up in collaboration with U.S. companies – Thomson with Motorola and Matra with Harris. Last autumn, the Government decided to reduce the number to two – setting off the negotiations to absorb Eurotechnique into the Thomson group.

Eurotechnique employs about 460 people in a factory at Rousset, near Aix-en-Provence. No turnover figures are published and it is known to have been operating at a loss.

American officials in Paris have voiced concern about the lack of compensation for the National Semiconductor stake. The Thomson takeover follows the rancorous negotiations last year over nationalisation of the former French ITT telephone subsidiary, CGCT, which entailed months of haggling over the compensation price paid by France.

Japanese consider plants in Britain

By Charles Smith in Tokyo

THE WAVE of Japanese interest in investment projects in the UK that has accompanied the visit of Mr Patrick Jenkin, the British Industry Minister, continued yesterday.

Honda, the car manufacturer, said it was "ready" to start a feasibility study on establishment of a motor cycle plant in the UK. Mitsubishi Electric revealed it was "positively studying" a plan for UK manufacture of video tape recorders. Fujitec, which manufactures lifts, said it was considering building a plant in Britain.

The official British response was cautious. Mr Jenkin said yesterday that the investment projects were a move in the right direction but that much more would be needed to put economic relations with Japan on an even keel. Japan ran a £2bn ($3.14bn) trade surplus with with Britain last year, he noted, and this might widen further this year.

The signal from Mitsubishi followed announcements earlier in the week of Sanyo Electric's plan to assemble VTRs at Lowestoft in Norfolk and of Hitachi-Maxell's decision to set up a video cassette production plant in Shropshire.

This seemed to indicate Japan's intention to help offset its trade surplus with an investment drive.

There is strong pressure for the Japanese to produce video products in the UK. Britain is the world's largest market for video recorders and imported 2.4m units in 1982 with a landed value of about £480m.

The only video recorders made in Britain are assembled by Thorn EMI in Newhaven from kits imported from JVC of Japan. It hopes to increase annual production to 240,000 by the summer, 10 per cent of last year's imports. Sanyo has announced it will assemble 5,000 a month (2.5 per cent of imports), at its factory.

The announcement from Honda came directly from Mr Kiyoshi Kawasjima, the company's president, who was readily granted approval by the Industry Minister to undertake the feasibility study.

Mr Jenkin's visit continues today and he is due to meet top executives of Nissan Motors for discussions on the long-stalled Nissan proposal to build cars in the UK.

John Griffiths writes: Unlike Nissan's plan to start UK car production, a British Honda motor cycle plant would be unlikely to meet any opposition in the UK because no significant indigenous manufacture survives. Only a handful of makers, most significant among them the Meriden co-operative remain and their combined output is little more than 100 a week. The Japanese manufacturers dominate the UK powered two-wheeler market, with about 90 per cent of all sales. Honda is the clear market leader, with a share of about 45 per cent.

Tokyo trade surpluses, Page 6

THE LEX COLUMN

Nothing new in Davy's locker

The UK Chancellor's dark warning that speculators against sterling might live to regret their actions fell on deaf ears yesterday, as the pound travelled on downwards against the dollar in London. At its fortnightly meeting, the Bundesbank tried a more subtle ruse. Its key interest rates were left unchanged, to prop up the D-Mark, while DM 4bn of extra liquidity was injected through an extension of rediscount facilities to please the domestic markets.

Davy

This has not been a distinguished week for City analysts. Caught flat-footed on Wednesday by both Racal and Tate & Lyle, they were simply dumbfounded by yesterday's interim figures from Davy. Profits for the six months to September had been expected to total around £4.5m pre-tax. As it turned out, they dropped 53 per cent to £3.1m. The dividend prop was swept away by a halved payment and, worst of all, hopes of full-year profits in the area of £16m were dashed by the company's own forecast that the second half would look similar to the first.

Net assets of around 88p per share proved wholly inadequate support for the share price, confronted with this barrage of bad news. After halving last year, it dropped 21p yesterday to 59p at which level the market capitalisation of £55.7m is not much above the net cash position in Davy's balance sheet.

That cash, however, is being whittled away by the absence of new orders – and prepayments – to fund an overhead structure costing about £200m per annum. This figure should fall by around 10 per cent in the current year but the group's engineering capacity, in particular, will remain seriously under-utilised.

New orders in the six months totalled only about £100m, which may have been roughly balanced by cancellations, so the year-end order book of £2bn has probably been depleted by the equivalent of turnover. Davy has recently negotiated two synfuel projects, worth some $285m, but otherwise there is little to show for all the high-level salesmanship. A couple of major orders could transform Davy's fortunes but it may be two more years before process plant construction picks up. In the meantime, the shares are resting heavily on the yield of 9.1 per cent implied by a halved final dividend.

Japanese profits

In common with other stock markets, Tokyo is discounting a recovery which still looks a long way off. The latest forecast of Japanese corporate profits, from the Nomura Research Institute, holds out no hope of an upturn before the second half of the fiscal year to March 1984.

But, when it comes, the recovery is expected to be sharp. Nomura forecasts a profits increase of 16 per cent in the six months to next March, compared with the previous half-year. This figure is roughly in line with other estimates coming out of Tokyo – Daiwa is reckoning on a 21 per cent upswing. By then, Nomura reckons, the corporate sector should have run through its severe de-stocking phase, interest rates will be still lower, and the strengthening of the yen against the dollar should be feeding through into much reduced manufacturing costs.

Productivity gains are expected to play their customary part, with unit costs rising more slowly than inflation and there is likely to be some official stimulus to the domestic building industry. But the key to profits recovery lies in reversing the decline in exports, which have fallen by 10 per cent since their mid-1981 peak. That depends very largely on the U.S. economy – and a containment of the protectionist pressures which are now reckoned to influence at least 40 per cent of Japan's overseas sales.

MFI

It is no surprise that MFI has benefited from the surge in consumer spending, but it also seems to have caught the tide just at the moment when it had put its own organisation in shape. Volume grew by 20 per cent in the half-year to November, of which a significant proportion must represent increased market share on the back of a revamped product range and two new outlets. The decision to take over the Hygena trade name seems to have paid off in helping to move the product image higher up the market, while the investment in management control systems is underlined by the minimal growth in staff – up 100 to 2,600 over the period – to cope with the increased business.

With net margins rising by 2.3 percentage points to 10.7 per cent, pre-tax profits emerged at £11.3m, a rise of 58 per cent admittedly against a poor period last year. In the current half, apart from internal cost controls, MFI is being helped on prices by productively gains from the mechanisation of flat-packed furniture production and it will be opening six further stores in the six months. The market is expecting profits of around £24m for the year, well ahead of the £16.8m high achieved in 1980 and although the shares lost another 1p to 140p last night, against the euphoric high of 162p around Christmas, they are still on a prospective multiple of about 20, fully taxed.

New cash dispenser makes money talk

By Alan Cane in London

NCR, the U.S. computer company and leading banking hardware supplier, will next month launch an advanced cash dispenser with a voice of its own.

Britain's National Westminster Bank is expected to be one of the first test sites for the new machine which will be able to speak in a variety of languages and regional accents.

Leading banks see the voice as a novelty. They are more impressed by the increased reliability that the new machine offers through the use of advanced technology.

The machine, the NCR 5080, was developed and will be manufactured at NCR's Gourie plant in Dundee, Scotland, where it was known in the banking world by the codename "Glen Clover."

Among its features are a system for locking off poarts of the machine so that only bank staff can have access while opening the principal mechanism to third party maintenance.

With banks placing increasing emphasis on automated tellers (ATMs) or cash dispensers to take the load off counter staff, reliability has become a priority. The new machine could be maintained and replenished at weekends by non-banking staff.

The new machine will also have a video display screen on which it will be possible to draw diagrams as well as print messages.

NCR is already a world leader in the development and supply of ATMs. Its 1780 model has the facility to talk directly to a bank's computer when the bank and its computers are open but to work independently when they are not.

UK fears Brussels no longer supports special budget rebates

BY JOHN WYLES IN BRUSSELS

BRITISH OFFICIALS yesterday expressed alarm over a tactical move which appears to withdraw the European Commission's support for special arrangements to reduce the UK's payments to the EEC budget this year and next.

After studying the declaration submitted by the Commission to the European Parliament's budget committee on Wednesday, the officials were last night urgently seeking clarification of words which seem to rule out further special short-term deals of the kind which have substantially cut back Britain's payments to Brussels since 1980.

The Commission intended the declaration to show firm support for the Parliament's view that the British budget problem should be dealt with by an increase in the Community's budget revenues and the development of new spending policies of benefit to the UK.

Its aim was to secure the Parliament's backing for a supplementary budget designed to refund £490m ($769m) of Britain's payments to Brussels last year. Anxious to be seen as forcing member governments into a faster development of the Community, the Parliament has demanded an assurance of no more special deals for the UK as its price for adopting the supplementary budget.

The Commission's move risks facing the UK with a budget bill this year of a £1bn or more.

This is because it attaches a higher priority to settling the fundamental issues of whether and how to enlarge the EEC budget and to what new policies should be developed. The Commission's declaration asserted that "these decisions will have to be applied in such a way that no transitional measures will need to be taken." "Transitional measures" means no further special budget rebates for the UK.

Until now, the British believed that the Commission intended to push for an agreement on its proposals for another short-term deal once the supplementary budget was out of the way. Instead, the Commission has opened the way for a protracted negotiation on much more difficult issues.

The British fear that France and other EEC countries will exploit the situation to try to secure UK agreement for the removal of present limits on the size of the EEC budget.

Brussels sues Paris over farm decision, Page 3

Bethlehem Steel cuts salaries

BY PAUL TAYLOR IN NEW YORK

BETHLEHEM Steel, the second largest U.S. steelmaker, yesterday became the second leading U.S. company in less than a week to announce salary cuts for its non-union employees.

The company is to cut the salaries of more than 14,000 non-union employees in its steel group and general offices by between 8 per cent and 10.5 per cent.

Last July, Bethlehem cut the salaries of the same workers by 5 per cent and those of its corporate officers by 10 per cent.

Earlier this week, U.S. Steel, the largest U.S. steelmaker, announced plans to cut salaries and wages of 28,000 non-union staff by 5 per cent from February 1.

Bethlehem's move, the latest step by the big U.S. steelmakers to cut costs in the face of mounting losses, will affect about 6,000 secretarial, clerical and technical workers and 8,000 supervisory employees.

The company, which in the first nine months of last year reported a $322.7m pre-tax loss and which has recently announced the closure of its Lackawanna, New York, steel plant with the loss of 10,000 jobs, said the pay cuts would save the company about $20m a year.

Mr Donald Trautlein, chairman, said the cuts were "absolutely essential for the long-term future of the company."

On Wednesday, Bethlehem Steel led a move by five main U.S. steel manufacturers to increase list prices for carbon and alloy sheet strip and plate products by an average of 6 per cent.

The price increase, if it sticks, will be the first since mid-1981 and is seen as an attempt by the leading steelmakers to position themselves for an expected increase in demand and contract negotiations with big steel purchasers such as General Motors.

Jones and Laughlin Steel, a subsidiary of LTV, National Steel Republic Steel and Wheeling-Pittsburgh Steel joined the Bethlehem initiative. However, U.S. Steel, said yesterday that it had not increased its prices.

The U.S. steel companies had a disastrous year in 1982 with production and shipments near depression levels. Republic Steel this week announced a $239.2m full-year loss and other steel manufacturers are expected to announce similarly poor figures.

Further steps in Korf group dismantling

BY JAMES BUCHAN IN BONN

THE DISMANTLING of Herr Willy Korf's steel and engineering group is expected to continue with the announcement by Herr Gerhard Fuchs, joint owner of Korf und Fuchs System Technik, that he will buy out the 50 per cent Korf stake in the concern.

Korf und Fuchs, which makes equipment for electric-arc furnaces and had sales of DM 21m ($8.7m) last year, is 50 per cent owned by Korf Stahl. Herr Korf's European holding company which last Friday announced composition proceedings for protection against its creditors. Herr Fuchs said the deal would go through in the next few days and the concern had no problems with liquidity or earnings.

Korf Stahl announced composition proceedings after Herr Korf's master company, Korf Industrie und Handel, and his chief domestic steel producer, Badische Stahlwerke, sought court protection. Since then, Mohr und Federhaff, the core of the group's mechanical engineering activities in West Germany, and two subsidiaries have petitioned for composition proceedings.

A question mark will stand by Korf Industries Inc., the holding company for the group's North American interests, which announced talks with 16 creditors at the beginning of the week for the restructuring of its loans.

It is believed these amount to $107m, but Mr Roger R Regelbrugge, the concern's president, and Herr Korf have said that the difficulties in Germany and in the U.S. are quite unrelated.

Zero option campaign

Continued from Page 1

lines with the Soviet negotiators, has been publicly told not to do so again. There is little doubt among arms control experts in Washington, however, that Mr Nitze will continue privately to probe the Soviet negotiating position in the search for possible alternative routes to an agreement.

Anthony Robinson adds from Moscow: The Soviet Union has dismissed suggestions that it might be prepared to consider a compromise solution at the INF talks in Geneva which would reduce the number of U.S. Pershing and cruise missiles to be deployed in Western Europe in return for a reduction in Soviet SS-20 missiles aimed at West European targets.

An article in the weekly Moscow News carried by Tass said that any such compromise agreement was absolutely unacceptable and added that Western calculations that the Russians would make concessions at the last minute were illusory.

The possibility of such a compromise to replace the current "zero option" position is reported to have been informally discussed by U.S. and Soviet negotiators in Geneva during the summer and explored again during recent Soviet-West German talks in Moscow and Bonn.

Mr Andrei Gromyko, the Soviet Foreign Minister, formally rejected the zero option during his just-completed visit to Bonn, and now the Soviet propaganda machine appears to be seeking to dispel any hopes that the Soviet Union would be satisfied with any compromise which allowed the deployment of any of the new U.S. missiles.

Western diplomats believe that the uncompromising line is primarily intended to maintain pressure on Western governments so as to make the minimum possible concessions as the deployment deadline approaches.

MBB chief steps down

Continued from Page 1

primarily from MBB's public shareholders, who include the states of Hamburg, Bremen and Bavaria and who control just over 50 per cent of the equity.

It is suggested that some public shareholders are dissatisfied with the cautious Prof Madelung's business policy.

They have argued that Dr Vogels, a man with a reputation for having good contacts at Government level, would be a more effective advocate for MBB in Bonn in securing Government support for aerospace programmes.

The company offered no explanation for the management change. It merely announced Dr Vogel's appointment and added that Professor Madelung will become deputy chief executive and will be the board member responsible for military aircraft.

It added that the division was of special significance to MBB because of the possible development of a new European fighter plane.

The meeting of the company's supervisory board confirmed that MBB would have to make cuts in its workforce and in its investment in the commercial aircraft division which is involved in building the European Airbus.

But it appears that the supervisory board has not accepted management's proposals to reduce the group's workforce from 38,000 to 34,500 with 2,400 redundancies. The board has called on management to put forward new proposals for cuts and to seek ways of easing the burden of redundancy.

In its 1981 financial year, MBB reported a rise in net profits from DM 51.1m to DM 58.5m.

Sales revenues rose by 16.8 per cent to DM 4.85bn.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	9	48	Dubrovnik	C	5	41	Malaga	C	14	57	Salzburg	C	-1	30
Akrotiri	S	18	64	Faro	F	13	55	Malta	F	13	55	Seoul	F	-5	23
Algiers	S	22	72	Florence	S	9	48	Manila	C	29	84	Singapore	C	30	86
Amsterdam	F	5	41	Frankfurt	S	3	37	Miami	C	21	70	Stockholm	C	-7	19
Athens	C	11	52	Funchal	-	—	—	Milan	S	8	46	Strasbourg	S	3	37
Bahrain	F	21	70	Geneva	S	2	36	Moscow	C	-5	23	Sydney	F	24	75
Bangkok	F	30	86	Gibraltar	C	15	59	Munich	C	-2	28	Taipei	C	13	55
Barcelona	S	10	50	Guernsey	S	7	45	Nairobi	—	—	—	Tangier	C	15	59
Beirut	F	17	63	Helsinki	S	-8	18	Naples	F	8	46	Tehran	-	—	—
Belgrade	F	1	34	H. Kong	C	14	57	New Delhi	F	20	68	Tel Aviv	S	16	61
Berlin	S	1	34	Innsbruck	Sn	-1	30	New York	F	-6	21	Tenerife	S	20	68
Biarritz	S	5	41	Inverness	R	7	45	Nice	S	12	54	Tokyo	F	9	48
Blackpool	C	6	43	Istanbul	R	4	39	Oporto	S	12	54	Toronto	F	-10	14
Bordeaux	S	4	39	Jersey	F	6	43	Oslo	C	0	32	Tunis	F	10	50
Brussels	C	3	37	Jo'burg	F	26	79	Paris	S	4	39	Valencia	S	12	54
Budapest	S	1	34	Las Palmas	C	18	64	Prague	S	-2	28	Venice	F	7	45
B. Aires	F	29	84	Lima	F	27	80	Reykjavik	C	3	37	Vienna	S	1	34
Cairo	F	17	63	Lisbon	S	10	50	Rio de J'o	R	33	91	Warsaw	C	-1	30
Cape Town	-	—	—	Locarno	F	6	43	Rome	S	8	46	Zurich	C	-1	30
Caracas	C	30	86	London	S	4	39								
Casablanca	S	17	63	Los Angeles	F	20	68								
Copenhagen	S	2	36	Luxembourg	F	1	34								
Corfu	F	12	54	Madrid	S	8	46								
Dublin	S	5	41	Majorca	S	18	58								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Snow Report

EUROPE

Andermatt (Sw)	100–270 cm	New snow. High winds.
Arosa (Sw)	110–160 cm	Excellent skiing conditions.
Avoriaz (Fr)	125–180 cm	Powder on hard base.
Davos (Sw)	140–230 cm	New snow on good base.
Grindelwald (Sw)	40–100 cm	Good skiing in all areas.
Isola (Fr)	81–122 cm	New snow on hard base.
St. Anton (Aus)	85–220 cm	Deep powder everywhere.
St. Moritz (Sw)	80–160 cm	Good skiing but v. windy.
Selva (It)	60–100 cm	New snow on good base.
Tignes (Fr)	175–195 cm	Good skiing but hith winds.

European reports from Ski Club of Great Britain representatives.

THE U.S.

Hunter (N.Y.)	10– 60 ins	35 trails open. Machine snow.
Squaw Val. (Cal.)	0– 66 ins	Powder and packed powder.
Sugarbush (Vt.)	26– 36 ins	New snow. Powder and packed.

Figures indicate depths at top and bottom stations. For Current Scottish ski conditions call U.K. (0) 31 246 8041.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday January 21 1983

AIRLINE LOOKS FOR EXTRA STATE AID

Air France loses $120m

BY DAVID WHITE IN PARIS

AIR FRANCE is counting on a tripling of Government support this year to FFr 500m ($74m), according to M Henri Sauvan, the airline's managing director.

The aid, coming in the form of advances from the state as shareholder, follows sharply higher losses for 1982. These, confirmed by M Pierre Giraudet, the chairman, yesterday, amounted to FFr 820m ($120m) more than twice as high as the previous year's deficit of FFr 380m.

However, while announcing a "prudent" policy for the current year, the airline's management has made clear that no drastic cutbacks are envisaged and that the fleet, currently being reinforced with the first deliveries of Boeing 737s, is to remain intact.

M Sauvan's predecessor in the number two job, M Gilbert Perol, resigned in the summer after Government pressure against staff cuts at the airline.

M Giraudet said Air France remained "in the ranks of the least sick" among the world's air companies. Last year's deficit, which includes losses from Concorde, the use of which has been cut back with only a Paris-New York service remaining, amounted to 3.7 per cent of sales. This compares with an average of 6 per cent among Iata members, according to Air France.

EUROBONDS

The International Capital Markets report and the FT International Bond Service appear on the back page of this section, Page 24

A "considerable reduction" in the deficit is hoped for this year in preparation for a recovery in 1984, M Giraudet said.

Among the factors affecting profits last year were political events in the Middle East – including the fighting in Lebanon – and in Argentina, where services were stopped during the Falklands conflict.

The company also lost from the high value of the dollar during the year and suffered from the rise in the cost of servicing a growing debt. The ratio of debt to capital is reckoned to have risen in two years from 2.9 to 5.4.

Cash flow remained positive last year but was trimmed by some 80 per cent to FFr 132m. This compares with a peak of FFr 1.2bn in 1979.

Growth in passenger traffic on subsonic routes was 1.9 per cent, while the number of seats on offer was increased by 2.3 per cent. The average occupancy rate dropped slightly from the previous year's level of 64.5 per cent.

Freight traffic meanwhile increased by 2.8 per cent.

Concorde flights were described as being not far from break even, after dropping services to South America. The company said it had still to decide what to do with the three Concordes – out of the seven it has – which are currently grounded.

The airline's subsidiaries in the charter, travel and hotel businesses meanwhile all showed profits for last year.

Three aluminium groups in red

BY OUR NEW YORK AND MONTREAL STAFF

North American aluminium companies have announced fourth quarter losses because of the depressed state of world markets.

Aluminium Company of America (ALCOA) reported a net loss of $33.66m, or 45 cents a share, for the 1982 fourth quarter, against a net profit of $32.3m, or 42 cents a year earlier.

Canadian-based **Alcan Aluminium** had a quarterly net loss of US$60m, or 71 cents, compared with a net profit of $26m, or 32 cents, a year earlier.

Alcoa's revenues in the fourth quarter were $1.06bn compared with $1.1bn a year earlier, which made full year revenues $4.67bn compared with $5.03bn.

Reynolds Metals, the second largest U.S. aluminium company, made a fourth quarter loss of $19.8m compared with a loss a year ago of $21m. Quarter sales were $669.7m compared with $787.1m. Net profits for the year were $7.7m or 26 cents a share compared with $86.7m or $1.40 a share.

Annual sales were $2.98bn compared with $3.572bn.

Alcoa, the largest U.S. aluminium company, is looking for a slow but modest recovery in 1983 after suffering heavy losses in the closing months of 1982. Net profits for the year as a whole slumped from $296.2m to $10.8m or just 11 cents a share.

The group explained that, as in the third quarter, its performance had suffered as the result of a less profitable products mix, higher ingot and scrap sales and lower mill product shipments. But it added that the price of primary aluminium appeared to be firming, and that a slight increase in order rates was apparent.

Alcan Aluminium shipped more ingots and semi-fabricated products in 1982 but because of low metal prices the company showed a loss for the year of U.S.$58m against earnings of $264m or $3.24 a share a year earlier. It was the first yearly loss for Alcan since 1932.

Sales and operating revenues were $4.6bn against $4.9bn.

The losses occurred during the second half of 1982 cancelling out profits earned in the first half. The impact of the recession on aluminium markets was most serious in the second half especially in North America, Europe and Australia.

Italtel reduces losses to $86m

By James Buxton in Rome

ITALTEL, the state-owned company, Italy's major supplier of telecommunications equipment, lost about L120bn ($86.5m) last year. But the loss was mainly the result of very high financial charges and was less than half that for 1981, when the company suffered a record L268bn deficit.

The company's sales rose from L103bn in 1981 to L930bn last year, according to the preliminary results. This is an increase of 32 per cent, about double the Italian inflation rate.

The gross operating margin for 1982 was L135bn, against only L24bn in 1982. But this was more than obliterated by net financial charges which amounted to L189bn, against L148.4bn last year.

The company is going through a major recovery programme directed by Sra. Marisa Bellisario, the managing director. It had incurred heavy losses as a result of a badly planned expansion programme in the 1970s and the failure of SIP, the Italian telephone utility, to maintain its ordering programme because of its own financial difficulties.

Both companies are controlled by STET, the telecommunications sub-holding of the IRI state industrial holding company.

Italtel's recovery programme includes staff reductions. The labour force was down to 23,700 at the end of last year, against nearly 29,000 at the end of 1980. A further 3,000 workers are to go in the next three years. The staff reduction and increases in productivity lifted sales per head by nearly 30 per cent last year.

The company says its recovery plan is on target and that it will break even in 1984. For this year a loss of L40bn on sales of L 1150bn is forecast.

BankAmerica profit for year falls 5.8%

BY PAUL TAYLOR IN NEW YORK

BANKAMERICA Corp the parent company of the largest bank in the U.S., reported a drop in operating earnings for the final quarter and the year.

The company suffered a 13.3 per cent decline in fourth quarter earnings before securities transactions to $73.4m or 46 cents a share, against $84.6m or 57 cents a share in the 1981 quarter.

Securities transactions raised net income for the latest quarter by a marginal $800,000.

But the full year operating earnings fell by 5.8 per cent to $419.6m or $2.81 a share, including the cumulative effect of an accounting change. In 1981 earnings stood at $445.4m or $3.02 a share.

The accounting change reduced operating income in the latest year by $900,000.

Net income for the year, however, increased by 1.4 per cent to $451.5m, or $3.03 a share, against $445.4m or $3.02 a share.

The bank said the difference between operating income and net income largely reflected the cumulative effects of a change in accounting for investment tax credits. This had the effect of increasing income before securities transactions by $8.3m for the year and $2m for the quarter.

Mr Samuel Armacost, president, said net income was reduced by increased net loan charge-offs, non-performing loans and additions to loan-loss reserves which stood at 0.9 per cent of outstanding loans at the end of the year.

Westinghouse profits slip back in quarter

BY OUR FINANCIAL STAFF

WESTINGHOUSE Electric, the second largest U.S. maker of electrical equipment after General Electric, reported a dip in net profits for the fourth quarter to $100.8m, or $1.13 a share, from $103.1m, or $1.20, a year earlier.

This was in sharp contrast to GE, which earlier this week announced a 18 per cent increase in net profits for the final period to $542m.

Westinghouse's revenues for the three months were $2.61bn, compared with $2.53bn a year earlier, making $9.75bn for the year, against $9.38bn. Full-year net profits were ahead slightly at $449.3m, or $5.16 a share, from $438m, or $5.10.

Sperry, the computer and industrial products group, is expecting a recovery in earnings after a steep decline in the nine months to December.

Net income in the third quarter fell by 22 per cent from $51.2m, or $1.20 a share, to $40m, or 90 cents. Revenues fell from $1.39bn to $1.27bn.

This took nine-month earnings down by 53 per cent from $140m or $3.33 a share to $65.2m or $1.47. Revenues fell from $4bn to $3.67bn.

Mr Gerald Probst, chairman and chief executive, said yesterday that an improvement was expected in some areas, particularly information processing. The outlook for its defence business was strong.

Revenues from computer systems rose slightly in the third quarter. But on the machinery products side, sales of Sperry New Holland farm equipment fell by 31 per cent, and there was a 24 per cent decline in Sperry Vickers fluid power products.

Rockwell International, the military electronics, space systems and automotive parts manufacturer, yesterday reported higher profits in the first quarter to December 31 bolstered by government defence contracts.

Increased loan provisions hit net profits at Banque Worms

BY DAVID MARSH IN PARIS

BANQUE WORMS, the fourth largest French investment bank, has reported a sharp fall in net profits for last year, above all because of an increase in provisions on doubtful loans.

The bank, taken over by the state in last year's nationalisations, is studying collaboration with two other newly-nationalised banks – Banque Vornes and Banque Parisienne de Crédit – according to M Georges Vianes, its new chairman. But these links are not expected to go as far as a complete merger of the three institutions.

Profits after tax, depreciation and provisions fell to FFr 16m ($2.3m) in 1982 from FFr 42m in 1981. Before these items, profits were substantially higher at FFr 161m compared with FFr 108m in 1981.

The bank's balance sheet progressed to FFr 34bn last year from FFr 28bn in 1981 and FFr 24bn in 1980.

The set of results is the first to be announced by a nationalised bank. One of the reasons for the early release seems to have been to scotch rumours circulating recently in Paris that the bank had actually made a loss last year.

M Vianes, underlining that the bank would continue to make profits in the post-nationalisation era said it would keep its identity and expected to maintain expansion abroad. This year Worms plans to open an agency in Singapore.

Worms is ranked as the 13th largest French bank. It is one of the three smaller institutions nationalised last year for which the Finance Ministry is believed to be working out a restructuring plan, along with other state-owned institutions.

U.S. drugs companies report higher income

BY RICHARD LAMBERT IN NEW YORK

AMERICAN HOME Products, the food and drugs company with major interests in prescription drugs and packaged medicines, has reported its 31st consecutive year of increased earnings.

Net income rose by 13 per cent in the fourth quarter from $127.9m, or 82 cents a share, to $144.2m, or 92 cents a share. For the year as a whole, earnings rose from $497.3m or $3.18 a share to $560.1m, or $3.59 a share.

Revenues for the quarter rose from $1.04bn to $1.17bn, and for the year from $4.13bn, to $4.58bn.

Sales of the prescription drug and medical supplies segment, which included the Sherwood Medical acquisition as from March, rose by 24 per cent for the year. Overall sales in the U.S. rose by 16 per cent for the year and 19 per cent in the final quarter, but the strength of the dollar meant that foreign sales were little changed over the period.

● **PFIZER**, another major drug company, said that net income in the final quarter had jumped from $75.9m to $92.5m even though currency fluctuations had hit the latest period to the tune of $20m.

Santa Fe earnings are halved

By Paul Taylor in New York

SANTA FE Industries, the rail and energy company, yesterday reported a dramatic halving in its fourth quarter earnings. It blamed particularly difficult conditions in the railway business.

Fourth quarter earnings dropped to $26.2m, or 32 cents a share, from $55.2m, or 62 cents a share, on revenues which fell from $811.9m to $786.9m.

For the year, net earnings fell to $180.2m, or $2.08 a share, from $242.2m, or $2.73 a share, on revenues of $3.16bn, against $3.37bn a year earlier.

Mr John Reed, the chairman, said: "Railway operations felt the severe impact of reduced carloadings, which were down 17 per cent for the year and the quarter. In addition, expanded railway maintenance programmes, carried out during the fourth quarter, had an adverse impact."

Mr Reed added that these factors more than offset the effects of a cost reduction programme, including a 13 per cent cut in staffing levels.

While there had been no improvement in rail freight traffic, Mr Reed said the cost reductions should help the company to take advantage of any economic upturn.

Peugeot launches model to win back market

BY KENNETH GOODING IN LONDON

PEUGEOT today unveils its new "supermini" car, the 205, in which it has invested FFr 1.2bn ($180m) for new production equipment alone.

The 205 slots between Peugeot's 104 and its best-selling 305 models and is a vital element in the company's attempt to claw back lost market share in Europe.

It will meet intense competition from, among others, the Fiat Uno, announced only yesterday, the General Motors "S" car (known at the Opel Corsa on the Continent and the Vauxhall Nova in Britain), the Renault R5 and Ford Fiesta, as well as BL's Metro.

The 205 will be assembled at Mulhouse, Alsace, and later this year, at Villaverde in Spain. Eventually there will also be asembly in Africa.

Peugeot hopes to produce about 250,000 of the 205s annually. Output of the 10-year-old 104 has been about 150,000 a year and that of the 305, around 200,000 a year. Total European sales of "superminis" is about 2.45m while output of Peugeot-badged cars in 1981 was around 678,000.

The newcomer will be launched first in France next month and then progressively introduced to other major European markets.

The UK subsidiary predicts that the 205 will become the best-selling Peugeot in Britain with a 2 per cent market share, suggesting sales of around 30,000 to 35,000 a year.

One of the engines to be used by the 205 is also new and was developed from the power unit used in the VERA research model, produced with French Government financial support to find ways of increasing fuel economy without sacrificing performance.

To keep costs down, the engine, which is being made at Douvrin, uses some parts from Peugeot's existing units. Called the XY 7, it is a 1360 cc unit which develops 59 brake horsepower. The engine will be used for other models in the Peugeot-Citroën-Talbot ranges.

The rest of the 205 owes a great deal to the VERA project and Peugeot claims that, through a combination of weight reduction and impressive aerodynamics, it gives up to 65 miles per gallon.

The 205 is a five-door hatchback. Initially, five versions will be offered with a choice of four engines and four or five-speed gearboxes. Later a diesel engined version will be available.

There are also plans for a three-door derivative, but this might be sold as a 105 replacement.

Union support for Hoogovens jobs project

By Walter Ellis
In Amsterdam

TRADE UNION leaders representing the 18,200-strong workforce at Hoogovens, the leading Dutch steelmaker, have endorsed a company plan for the creation of up to 450 jobs for young people.

Under the plan, individual workers could volunteer either to work a reduced number of hours or, in the case of those aged 57½ or over, to accept early retirement. An agreed 2.06 per cent reduction in the indexed wage increase due this month would pay for the escheme.

Hoogovens has been under considerable financial pressure in recent years and last September was granted Fl 1bn ($384m) in Government aid to help fund a three-year restructuring programme costed at Fl 3.2bn.

The company is still in dispute with Hoesch of West Germany over EEC quota rights to the production of some 400,000 tonnes of steel annually. Hoesch and Hoogovens demerged last year when the Dutch concern felt it could no longer sustain losses incurred in West Germany.

Product recall worries U.S. insurers

BY OUR NEW YORK CORRESPONDENT

U.S. INSURERS were sent into a flutter last week by news of a lawsuit which could have important implications for their product liability business. McNeilab, a subsidiary of Johnson and Johnson, has sued a group of insurance companies for about $117m to cover the cost of the company's recall of its Tylenol products.

In a three-day period last autumn, seven people died in the Chicago area after allegedly taking Tylenol pain relieving capsules which had been laced with cyanide.

The tragedy attracted nationwide attention. It soon became clear that the products had not been tampered with before they left the company, but it was decided to stop producing the capsules and to recall and destroy all those on the market. The company has put the cost of this at about $100m.

In the papers filed in connection with the lawsuit, the company says that once it had become aware of the poisonings, any failure to recall the products could have been claimed as neglegent omission, constituting a proximate cause of any further poisoning. Thus it was "obligated by reason of such potential liability to effect a prompt withdrawal of said Tylenol capsules."

In essence, Johnson and Johnson is saying that if it had done nothing, the company – and its insurers – could have been hit for millions of dollars in potential bodily injury lawsuits. It is asking its insurers to share the burden of its action.

Although its property and liability policies do not include specific coverage for product recall, the company says its policies do not bar it from making such claims.

Product recall is apparently excluded from its liability policies, but Johnson and Johnson claims that this exclusion is not applicable since it is based on the idea that the product concerned is faulty. That, it says, was not the case with the Tylenol capsules which left its doors.

There are two parts to the lawsuit. In the first, the company is seeking to recover about $67m of its costs under a number of excess and product liability policies. If it is successful, insurers say, the scope of product liability insurance will have been significantly widened.

In a second claim, the company is seeking to recover money under an all risk policy which, among other things, provides cover against business interruption losses and extra expenses connected with such interruptions.

The court papers make clear that the claim is not just an attempt to cover the loss of business caused by the halt in Tylenol production. It includes "withdrawal expenses incurred under the first claim for relief in the event that such withdrawal expenses are adjudicated not to be recovered from the product liability insurers."

The company notified its insurers in November of its intended claims, and has not yet had any response from them. Hence the publication last week of the details of its suit. A lot of fine print is certain to be examined before this one is over.

● A guide to the funding issues related to the asbestos crisis has been published in New York by the National Council on Compensation Insurance. It warns that the liabilities arising from asbestos-associated disease are threatening the basis of the workers' compensation system as well as the U.S. tort system.

"The asbestos problem will have to be resolved in a way which differs from its current handling, and it will have to be resolved in relatively short order," the report concludes.

Meanwhile, Lloyd's of London has joined 11 major asbestos insurers – including Royal and the Commercial Union – to set up the Asbestos Claims Council. The objective is to co-ordinate the growing number of asbestos-related claims and speed their disposition.

● Mr John McGillicuddy, chairman of Manufacturers Hanover Corporation, had some mildly comforting thoughts last week for those who fear that deregulation in the U.S. financial services industry will hurt the established insurance industry.

He told the annual conference of the Insurance Information Institute and the Insurance Services Office that his bank would like to have the opportunity to underwrite property and casualty insurance. But, he said: "That is quite different from saying that I would hang out our shingle (nameplate) tomorrow and the same would apply to insurance brokerage.

"I guess what I'm saying is that much of the current talk about the potential of financial supermarkets may be greatly exaggerated."

David Lennon looks at a market described as the 'Las Vegas' of Israel

Plans to reform the Tel Aviv stock exchange

THE search for a hedge against triple figure inflation rates has turned the Tel Aviv stock exchange into the Las Vegas of Israel. For most of the punters the gamble has paid off, as share prices have rocketed upwards in spite of the odd bout of nerve shattering profit-taking by the big boys.

Over one third of the country's households invest *some or all of their savings on* the market and its movements are watched as closely as those of any of the players from Tel *Aviv's Maccabi team in a* European-cup basketball match.

Turnover on the Tel Aviv stock exchange is close to $50m a day. The value of the stocks is some $18bn. Last year there were 77 first-time issues which raised a total of $259m.

*Given all this, it was there*fore hardly surprising that the resignation of the chairman of the stock exchange, Dr Meir Heth, *a couple of weeks ago*, amidst a flurry of charges of stock manipulation, aroused nationwide interest.

Until his resignation few people had heard of Dr Heth or seen his photograph. Today his is a household name, and his face is as familiar as that of most cabinet ministers. Newspapers carry daily reports of his every utterance, and television and radio have given him saturation coverage.

An austere looking man with a reputation as a bright, responsible and cautious economist, Dr Heth served as chairman for the past five years. Previously he had served in various official posts including controller of banks at the Central Bank.

With such a background therefore, it was all the more surprising when Dr Heth called a press conference and announced that in his opinion, the stock market was heading for a major fall unless serious reforms were undertaken. "Ultimately,' he said, "there has to be a relationship between the market and the economy. Stocks cannot keep *going up for-ever* when their market value is far out of proportion to the real value of the companies."

His call for a series of reforms designed to curb the excesses of an exchange whose stock index rose by almost 300 *per cent last year was flatly* rejected by the directors of the exchange.

Within a week of resigning Dr Heth was back in his post, after the major participants in the stock market realised that it would be better to consider his reforms than have to face possibly more severe and restrictive changes imposed by the Knesset (parliament).

Dr Heth has proposed three basic reforms. Firstly, he wants stricter criteria for new companies wishing to launch issues. Secondly, trading should be continuous, he says, rather than the current one-a-day auction system, and thirdly, *he wants efficient* controls placed on mutual funds and portfolio managers.

Dr Heth has become increasingly worried *about the dangers* facing the small investors who do not understand, in his words, the need for some relationship between the market price of a stock and its true value as gauged by any real economic criteria.

> Day after day crowds gather outside television shop windows in towns and cities throughout Israel. They are not, as might be expected in other countries, watching some sports match but are instead looking with nail-biting anxiety at the results of the day's trading on the Tel Aviv stock exchange

The concern is well founded. At local bank branches blue *overalled factory workers* jostle with elegantly clad matrons in front of the investments desk as the harried *adviser tries to keep* up with the flurry of buy-sell orders. Investing in the stock market is an egalitarian sport in Israel.

The attraction of the market is that there is no capital gains tax and by investing in equities *the average Israeli can keep his* money liquid rather than tying it up in inflation-proofed, long-term savings programmes.

There has for long been concern that the same people—the banks and the large institutions—serve as issuers of their own shares, as the major brokers and also sit as members of the board of directors of the exchange.

Dr Heth's reforms will, if implemented, rob these people of some of their power. Even more importantly, if he can *introduce continuous trading, it* will become much more difficult to manipulate share prices.

Under the auction system the brokers, with the commercial banks being the biggest of these, first match buy and sell orders within their own network. Only the residue of unsatisfied purchase or sale orders are brought *to the exchange*, where in a single session starting at 1.30 pm prices are negotiated between buyers and sellers.

If a share price rises or falls by more than 5 per cent the share is suspended. The following day it starts at the 5 per cent up or *down level and if it* is still not cleared, then the automatic 5 per cent adjustment applies again.

Only on the third day are controls removed and the share sold freely.

Dr Heth explains that by offering more shares for sale than can be marketed, or bidding for more shares than can be supplied, brokers are able to change the price by 5 per cent, and yet not have to buy or sell a single share since all deals are suspended if the 5 per cent *limit is reached.*

The rules were originally designed to allow time for second thoughts but the stock *exchange chairman feels that it* has now been subjected to frequent, if undetectable, abuse.

In order to diminish such abuses, he wants continuous trading introduced. It will not end all manipulation, such as "*wash sales*," *but it will* make life more difficult for the manipulators.

The absence of controls on portfolio managers also worries Dr Heth. "Today any person who wants to, can open a shop and become an investment counsellor."

Regarding this as an "intolerable" situation he wants the laws, designed for a much smaller market in the 1960s, amended to establish suitable criteria for the licencing of portfolio managers and their behaviour in the market.

The interesting aspect of the massive uproar over Dr Heth's *actions is that, just like the in*vestors he is trying to protect, the stock exchange chairman has gambled. By going public *about his worries* he hopes to force the directors of the exchange to take his proposals seriously. Like most of those *who play the Israeli market* he appears to have won handsomely.

The exchange's directors have agreed to set up sub-committees to study the proposed reforms. Only time will tell whether Dr Heth's gains were real, inflationary, or liable to be lost on the roulette table known to one and all in Israel as the "boursa."

Spurt in interest charges slows CUB

By Michael Thompson-Noel in Sydney

AUSTRALIA'S largest beer producer, Carlton and United Breweries (CUB) saw a 5.3 per cent improvement in earnings for the half-year to December 31, from A$23.4m to A$24.6m (US$24.2m), despite the fact that the group's interest charges had spurted upwards by 61 per cent, to reach A$18.3m.

The interim dividend is unchanged at 6 cents a share, covered by earnings that fell from 14.68 cents to 12.85 cents a share because of a recent one-for-five scrip issue. Turnover in the first half was 10.9 per cent higher, at A$510m. This is partly accounted for by higher beer duties in Australia, though the company said it had improved its market share in Queensland, New South Wales, and the UK.

Earnings for the half-year included dividends from its 49 per cent holding in Elders IXL, plus other associate companies, totalling A$9.2m, against A$7.7m previously.

Elders IXL, a fast-growing pastoral, food, finance and resources group, is expected to earn in the region of A$68m for the year to June 30 1983, against A$61.3m last year.

If all profits of associates were equity-accounted, CUB's half-year profit would be in the region of A$32m. In a statement, the company would only say that the percentage increase in equity-accounted profit would be considerably higher than the increase in the conventional non-equity-accounted profit as disclosed (5.3 per cent).

Interest charges were sharply higher, despite hope of a better cash-flow in the second half of 1981-82 that would have helped the group retire some of the expensive debt incurred during its 1981 foray into Elders.

Tax payments were A$12.4m, against A$13.1m.

Westinghouse in Korean deal

By Ann Charters in Seoul

WESTINGHOUSE Electric SA, *a subsidiary of the Swiss firm* of Westinghouse Electric of the U.S. has signed an agreement with Hyundai Electric Engineering, part of the Hyundai group of South Korea, to form a joint venture to specialise in industrial and engineering services.

The company, to be based in Ulsan near industrial areas in south-east Korea, will provide industrial apparatus, repair services, electrical and mechanical equipment installation and training services, and field engineering.

The market for such services is estimated at $100m annually, according to Westinghouse Electric SA.

Carrian rescue package queried

BY ROBERT COTTRELL IN HONG KONG

BANKERS and analysts in Hong Kong are questioning aspects of the draft rescue packages now being proposed for Carrian Investments Limited (CIL), the liquidity-starved quoted property company, and Carrian Holdings (CHL) its unquoted parent.

CIL has a net worth of HK$162m (U.S.$24.8m) and debts of HK$2.9bn, while CHL has a negative net worth of HK$1.15bn and debts of HK$1.4bn. Bankers are being asked to reschedule debt principal for CIL and reschedule both principal and interest for CHL.

Some bankers want to know what constitutes the HK$2.5bn of unspecified assets which CIL hopes to sell in 1983 and 1984 in a draft cashflow projection produced by Wardley, the merchant bank, which is Carrian's financial adviser.

Analysts question whether Wardley's HK$1bn write-down of CIL's property portfolio as of November 30, 1982 adequately reflects the extent of today's recession in Hong Kong's property market.

It is also noted that of the HK$250m *which would be lent* to the group by its unknown ultimate share holders if rescheduling was agreed, HK$168m would repay loans by CIL, the quoted vehicle, to Carrian Holdings, the ultimate shareholders' own company. The balancing HK$82m would go directly into the unquoted Carrian Holdings. Moreover, that money has not yet been transferred to Hong Kong, and Wardley says it cannot guarantee that it will come.

Bankers also note that the rescheduling proposals depend on the support of every bank owed more than HK$1m.

Wardley says the rescue scheme should begin on April 1 *this year and pending a decision,* Carrian is suspending both principal and interest payments on its debts.

Foreign banks face new form of tax in Abu Dhabi

BY OUR ABU DHABI CORRESPONDENT

FOREIGN BANKS operating in Abu Dhabi will be faced with a new form of taxation if a directive issued recently by Sheikh Zaid Bin Sultan Al-nahayan, the Shir comes into effect.

The directive instructs banks that they should make an *annual payment to the govern*ment of 20 per cent on profits, and that this payment is to be retroactive. This news has *surprised some* banks, particularly those who came to Abu Dhabi after 1973, the date the United Arab Emirates Currency Board was set up.

The main foreign banks that could be affected are Chartered, Grindlays and Barclays from the UK, Citibank, Bank of American and Chase Manhattan from the U.S., the Algemene Bank of Netherlands, plus a number of other banks from Europe, Iran and the Indian sub-continent.

Prior to that, banks had been paying a form of sponsorship payment to the government equal to around 20 per cent of profits. The then Currency Board, now replaced by the Central Bank, introduced a licensing system, which entailed payment of an annual licence fee of roughly £10,000 ($15,800) and collection of the sponsorship fee lapsed.

Although some banks have in fact continued to make the payment, banks established in the *Emirate after that date received* no specific instructions that such a payment was required or might be introduced at a *later date.*

Restricted licence banks, a form of offshore banking unit, are also affected by the new directives, although representatives of foreign banks have not been approached so far.

Two aspects of the directive are causing particular concern. First is its retroactive nature. Secondly, the directive does not provide that losses in any sphere may be carried-over against obligations to pay in the following year. In addition, lack of notice and a close deadline, about two months according to one banker, could make it difficult for some of the banks to raise sufficient cash.

Nomura Securities income falls

By OUR FINANCIAL STAFF

NOMURA SECURITIES, one of Japan's top investment houses, reports a 23.3 per cent fall in consolidated net income for the *full year to September 30.*

The group's net income fell to Y39bn ($169m) from Y50.8bn in the previous year. Revenues were down 14.6 per cent at *Y262bn from Y307bn of a year* earlier. Earnings per share fell to Y25.17 from Y33.8 on a pre-tax income of Y67.6bn compared with Y111bn last year.

Meanwhile the Nomura Research Institute in its monthly review is forecasting only marginal growth for the *pre-tax profits* of Japanese industrial companies in the second half of the current fiscal year ending March 31.

Profits will rise only 0.1 per cent the institute said. If the oil and coal industry is excluded, profits overall will show a 4.3 per cent decline.

INTERNATIONAL APPOINTMENTS

Senior posts at Marsh and McLennan

● Mr James W. S. Macdonald has been elected vice-president-finance of MARSH AND McLENNAN COMPANIES, INC, New York, from February 1. He is finance director at C. T. Bowring and Company, Marsh and McLennan's UK subsidiary. Mr Macdonald's predecessor, Mr Bruce W. Schnitzer, has been named president and chief operating officer of Marsh and *McLennan, Inc*, the firm's worldwide insurance brokerage subsidiary.

● Mr Otto Werther and Mr *Bruno Salzmann* have been appointed directors general of the forwarding group KUHNE & NAGEL INTERNATIONAL, Pfäffikon, Switzerland. Both are members of the executive committee of the Kühne & Nagel, Luxembourg. Mr Werther is responsible, worldwide, for the forwarding activities of the international transport organisation of Kühne & Nagel. Mr Bruno Salzmann is responsible for *finance/accounting and con*trolling for the worldwide Kühne & Nagel Group.

● DOME CANADA has appointed *Mr J. Louis Lebel* as president and director. A lawyer, Mr Lebel served in Canada with Chevron Standard from 1948 to *1980*. He managed that company's land, legal, government relations and public affairs, and was vice-president, director and *member of their executive com*mittee. He is a director of six other Canadian companies.

● RENAISSANCE ENERGY, the Calgary-based oil and gas operator, has appointed two new directors: Mr Robert K. Dixon and Mr Jonathan Deitcher. Mr Dixon is currently acting as an independent oil and gas consultant prior to which he acted as director, president and chief executive officer of Merland Explorations for a period of six years. Mr Deitcher is a stockbroker in Montreal with *Dominion Securities Ames*, one of the leading Canadian brokerage firms.

● Mr Paul T. Hartung and Mr *Victor L. Mock have been named* project vice presidents of THE RALPH M. PARSONS COMPANY. Mr Hartung will become project director for Parsons' work on development of a new, grass roots 250,000 barrel-per-day refining complex for Petromin and Shell at Al-Jubail in Saudi Arabia. Since joining Parsons last year, he has served as manager, project operations for the systems division. Mr Mock has been with Parsons for 15 years and is currently serving as project director for expansion of Arco's oil and gas gathering facilities at Prudhoe Bay on the North Slope of Alaska.

● CELANESE INTERNATIONAL CO, a subsidiary of Celanese Corp has appointed Mr Edward J. Grosso, Jr, as vice-president—Pacific/Europe. Mr Grosso was vice-president, planning for Celanese International Co.

مكتبة الأرشيف

Opening up Australian banking

About 10 foreign banks are shortly to be allowed into Australia following a key recommendation of the Campbell Committee which called for liberalisation of the financial system. Michael Thompson-Noel reports

IN AUSTRALIA the weather is a political issue, so it is hardly surprising the announcement that about 10 foreign banks were to be allowed into the country as a possible heralding of the opening-up of the market fully to overseas competition should be greeted as a victory for Mr John Howard, the Federal Treasurer.

The entry of foreign banks was the key recommendation of the Campbell Committee of Inquiry into the Australian Financial System, which published its report 14 months ago.

Some within the Treasury were not impressed with the foreign banks argument, but Mr Howard has succeeded in his quest — overcoming opposition from within his own department and from parts of the ruling Liberal-National Party coalition, some members of which feared that the entry of foreign banks might cost it votes in this year's General Election.

The significance of Mr Howard's success on the foreign banks issue lies in his position as deputy leader of the Liberal Party and the heir apparent to Mr Malcolm Fraser, Prime Minister. This bodes well, it is widely thought, for further progress along the road to the Campbell Report vision of a more efficient, dynamic and equitable Australian financial system.

Further details of the entry requirements for foreign banks followed this week.

Mr Howard said last week that successful applicants would be required to establish reasonable branch networks, and that other criteria the Government would consider included the level and quality of the Australian equity proposed; the standing and substance of the foreign banks' principals; range and depth of services offered, including branch networks; nature and scale of operations proposed; geographical spread, and whether there was full reciprocity of bank entry in the countries concerned.

Less important, said Mr Howard, would be the applicants' former or current involvement in non-bank financial institutions in Australia, and other financial links with the country, including past involvement in Government and private sector fund-raising.

As a criterion, "geographical spread" is being taken to imply that the initial 10 or so banks granted Australian licences will include at least three from Asia, at least three from North America, and at least three from the EEC.

Mr Howard says: "Potential applicants are invited to submit to me an outline of their longer-term objectives in a detailed plan of intended activities over an initial—say five-year—period, together with an assessment (in detail) of how their participation would benefit the Australian economy."

Within minutes of Mr Howard's announcement, which took Canberra by surprise, Bank of America was the first to say it would be applying for a licence under the terms outlined by the Government, while in a long list growing by the hour, other leading candidates including Citibank, Chase Manhattan, Bank of Montreal and Canadian Imperial Bank of Commerce: Barclays, National Westminster, Lloyds, Midland Bank, Samuel Montagu, Morgan Grenfell, Standard Chartered and Hill Samuel, together with Deutsche Bank (which has long played a major role in Australian Government fund-raising), Union Bank of Switzerland, Swiss Banking Corporation, Dresdner Bank and Amro Bank as well as Bank of Tokyo, Mitsui Bank, Industrial Bank of Japan, Sumitomo, and Honkong and Shanghai Banking Corporation.

It could be a lengthy business, particularly as numerous foreign banks already have close ties with Australia. Bank of America, for example, has a merchant banking subsidiary, BT Australia, while Citicorp Australia (at present 100 per cent owned by Citicorp of the U.S.) has a chain of about 40 retail money shops, employs 1,400 and has assets of A$2bn (US$1.97bn). In turn, it owns a 49.9 per cent stake in Citinational, the merchant bank, with National Mutual Life of Australasia owning the remainder.

Other foreign groups that already operate merchant banks in partnership with Australian interests include Samuel Montagu, Morgan Grenfell, Chase Manhattan and Bank of Tokyo, while Hill Samuel Australia is prominently positioned, as a result of its pioneering of cash management trusts in Australia.

Thirteen Japanese trading banks have representative offices in Australia, and Standard Chartered has a finance subsidiary with a strong branch network. This week, it was announced that Algemene Bank, of Holland, was taking a 50 per cent stake in Alpine Finance, a subsidiary of Mr Kerry Packer's Consolidated Press Holdings. Alpine will be renamed ABN Australia. It has leasing and commercial hire purchase interests, and will also become involved in money market operations and corporate lending. Its capital base is to be expanded to at least A$10m.

A crucial issue for most contenders will be the degree of local equity participation required by Mr Howard in the new ventures. The Treasurer said last week that the policy regarding local equity participation would be basically the same as that applying to non-bank financial intermediaries—which allows scope for entry "on the basis of less than 50 per cent Australian equity where net economic benefits outweigh the general desirability of an effective partnership between Australians and foreigners."

The other major stipulation is that foreign banks wishing to operate in Australia provide a wide range of services, and a reasonable branch network.

It is also unclear whether the Treasurer envisages a gradual or mass entry of the chosen 10 into Australia, but it is thought likely that applications will be processed by the middle of the year, given the intense lobbying by foreign bankers to which Canberra has already been subjected. However, Mr Howard has said that it will be "some time, but certainly less than five years," before the Government considered admitting any more.

There has been only one new trading bank licence granted in Australia since 1945—to the Australian Bank, which received its licence in February 1981 after putting together a band of 10 shareholders, including Swan Brewery and Myers Emporium, and raising A$30m (US$29.7m) in initial capital.

In addition, there has been a contraction in the number of major trading banks operating in Australia, so that now there are only four: Westpac (formed from the merger in 1981 of the Bank of New South Wales and Commercial Bank of Australia), National Commercial Banking Corporation of Australia (formed from the merger of the Commercial Banking Company of Sydney and the National Bank of Australasia) group, and the Government-owned Commonwealth Banking Corporation. It was this background, said Mr Howard last week, that underlined the need for foreign competition.

To date, the Australia banking market has been cloistered, cosy, and highly profitable—though margins are under pressure at present. Westpac, for example, recorded a net profit of A$215.6m in the year to last September 30, which was only 0.5 per cent higher than the estimated combined profit of A$214.4m for Bank of New South Wales and Commercial Bank of Australia in 1980-1981. Similarly, ANZ's net profit for the year to last September was A$180.5m, against A$175.4m previously.

At the same time, Mr Howard is determined to encourage (or at least not discourage) the formation of new domestic banks. He said last week that the Government would continue to impose no restrictions on new banks with only domestic shareholdings. Indeed, to help the cause, he would amend, if necessary, the Banks (Shareholdings) Act so as to remove "any particular limit on individual shareholdings while maintaining the Government's right to approve all substantial shareholders in a bank." The current limit on individual shareholdings in domestic banks is 10 per cent.

The welcoming-in of foreign banks comes after some other, individually minor, relaxations.

For some, the Government is still moving too slowly. Mr Bob White, chief executive of Westpac, said it was a major disappointment that the Treasurer had not, in addition to letting in foreign banks, not lifted the controls on all bank lending below A$100,000.

However, Mr Howard is probably moving as fast as he can. He said last week that the entry of foreign banks, together with other measures announced over the past year, should be seen as a further step in improving the efficiency of the Australian financial system, and that the Government would be considering further recommendations for the Campbell Committee "over the coming period."

With an election in the offing, that is probably as specific as Mr Howard can be.

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Davy profits halved at midway

BY OUR FINANCIAL STAFF

DAVY CORPORATION's pre-tax profits showed a fall for the six months to September 30, 1982, from £6.59 to £3.08m. Sales of the holding company, whose main activities include engineering and construction for the petroleum and chemical industries, slipped from £388.25m to £365.79m.

Mr H. P. N. Benson, chairman, says second half pre-tax profits will be similar to those of the first half, though they are normally higher. The board is, therefore, to reduce the net interim dividend to 1.1p per share, compared with 2.2p last year.

Further substantial closure costs are expected in the second half and Mr Benson says the general level of orders so far this year is below expectations.

For the six months at the attributable level there was a sharp downturn to a £3.49m deficit, against profits of £2.67m. This was after extraordinary costs of £5.8m (£957,000), comprising reorganisation and closure costs.

Earnings per 25p share were halved from 4.8p to 2.4p.

In the last full year, a total dividend of 7.37p was paid from pre-tax profits of £20.42m on sales of £877m.

At the annual meeting last October, the directors warned that there was likely to be a fall in profits in 1982-83.

Trading profits were down in Germany and North America, but the Australian company showed a good improvement.

The profits were also affected by a cost over run on a large petrochemical contract for the Soviet Union, for which a provision has been made.

In the engineering and construction sector the group is heavily dependent on the oil, chemical and steel industries, all of which are suffering from reduced demand.

As a result, the group, like other contractors, has been affected by a dramatic fall in new orders, particularly in the U.S., since early 1982.

The profits from the U.S. will be well down for the full year. The group is also experiencing difficulties in its UK manufacturing and foundry companies, where demand continues to decline.

There will be further substantial closure costs in the last quarter, but these will be partly offset by a gain on the disposal of properties in the U.S.

Mid-year setback to £27m for BET

BY OUR FINANCIAL STAFF

BRITISH Electric Traction Company's first half taxable profits have fallen by £585,000 to £27.07m. With recession continuing in most countries in which the group operates, the directors warn that it will do well to maintain its full year figures at last year's level.

After a much reduced tax charge, earnings per 25p deferred share emerged ahead at 8.4p, against 6.9p, and the net interim dividend is being held at 1.863p – a total of 8p was paid for the 1981/82 year from taxable profits of £67.28m.

Sales of the group, which has interests in oil and gas, electronics, TV and radio, transport, mining and civil engineering, steel construction, publishing, printing and leisure, expanded from £483.66m to £561.89m during the six months ended September 30, 1982.

At the trading level profits totalled £29.08m, compared with £25.36m, but reduced figures from the associates of £5.62m (£6.88m), lower investment income of £3.98m (£4.43m) and higher interest charges of £11.61m (£9.02m) left the pre-tax result down.

There were deductions of £11.07m (£14.07m) for tax, £3.28m (£3.21m) for minorities and £109,000 (£715,000 added) for extraordinary items, leaving attributable figures £1.52m ahead at £12.62m.

In his report Mr Hugh Dundas, the chairman, says improvements in printing and publishing and in the construction-related companies were marginally outweighed by disappointing performances from the transport and opencast mining sectors.

He adds that the deteriorating economic conditions in Canada, South Africa, Australia and Zimbabwe hit the operations of the group's transport interests in those countries while Murphy Brothers encountered difficulties on one of its major opencast UK sites.

The group's 75 per cent of the share capital of Murphy was sold earlier this month, but its non-mining interests were retained.

Further acquisitions have been made this year in the U.S. where Argus Press has bought more magazine publishing businesses and United Transport a road tanker company.

■ BRITISH ELECTRIC TRACTION

Transport construction, engineering & mining

Half-year to Sept 30	1982	1981
	£	£
Sales	561.89m	483.66m
Pre-tax profit	27.07m	27.66m
Tax	11.07m	14.06m
Attributable profit	12.62	11.1m
Earnings per share	8.4p	6.9p
Dividend	1.863p	1.863p

Eurotherm on target with £4.6m surplus

BY OUR FINANCIAL STAFF

EUROTHERM International, electronic equipment maker, pushed its pre-tax profits up to £4.58m for the 12 months to October 31 1982, continuing the improved performance of the previous year when figures of £3.27m were reported.

The chairman says the results were in line with the August forecast even though trading conditions deteriorated in the second half of the year.

A final dividend of 4.5p (3.5p) on the capital enlarged by a recent rights issue raises the net total by 1.5p to 6.5p per 10p share. A scrip issue on a one-for-one basis is also proposed.

The year saw the emergence of some of the group's smaller companies as significant profit contributors.

A strong order intake by other companies in the winter and early spring created excellent profits for the first six months. In the second half, however, business reverted to a level more in keeping with recessionary conditions.

Increased overheads resulted from the completion of a new factory for Eurotherm Corporation in Reston, Virginia, and the assembly of teams to represent TCS equipment in the U.S. and Germany. These investments are expected to increase profitability.

The chairman says the policy of expanding the customer base with new product development and by the establishment of new sales companies is of prime importance if growth is to continue, particularly in recessionary times.

Funds secured from the rights issue have placed the group in a "excellent position" to exploit any new market opportunities, and the group intends to enter new areas of business, the chairman says.

Group sales for the year expanded from £27.6m to £35.44m with the UK contribution up by £4.33m to £15.8m.

The pre-tax figures included debits of £7,000 (£105,000 gain) on the translation of foreign assets and liabilities and £387,000 (£527,000) for net interest charges.

Tax rose from £1.45m to £1.91m. After minorities of £48,000 (£68,000) available profits emerged at £2.62m, against £1.75m previously.

Stated earnings per share improved by 6.96p to 21.86p.

Dixon declines £0.5m

BY OUR FINANCIAL STAFF

DIXONS GROUP profits for the 28 weeks ended November 13 1982 were down from £6.08m to £5.52m. But directors said the group is accelerating its expansion programme and prospects are favourable for improved year-end results.

The interim dividend is increased from 1.379p to 1.45p net per 10p share – last year's final payment was 2.4p and the taxable surplus amounted to £12.52m (£10.78m).

After a poor start to the half-year there was a marked upturn in business in the second quarter, with the exception of the film processing division, directors said.

They added that since November the retail side experienced extremely buoyant trade.

Sales for the six months were down slightly at £132.56m against a previous £135.96m, and profits were subject to tax of £2.31m, compared with £2.66m. Net profits emerged at £3.22m (£3.43m), which, last time, were improved by an extraordinary credit of £18,000.

Mr Stanley Kalms, chairman, said later that the setback in the processing division reflected the cost of both restructuring and redundancies "in the face of intense competition."

A management shake-up in the processing division last year resulted in plant closure at Doncaster and a concentration of processing at Stevenage – redundancies amounted to 150, reducing the workforce in this sector to 550.

Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa

Orange Free State

Reports of the Directors for the quarter ended December 31 1982.

WESTERN HOLDINGS

Western Holdings Limited

ISSUED CAPITAL: 14 334 376 shares of 50 cents each

	Quarter ended Dec. 1982	Quarter ended Sept. 1982	Year ended Sept. 1982
OPERATING RESULTS			
GOLD			
Area mined—m² 000	356	388	1 503
Tons milled 000	2 096	2217	8 134
Yield—g/t	4.68	4.63	4.91
Production—kg	9 799	10 272	39 917
Cost—R/m² mined	244.87	229.89	215.25
—R/ton milled	41.59	40.23	39.77
R/kg produced	8 896	8 684	8 105
JMS (See Summary) Slimes delivered			
Tons 000	1 388	1 531	7 596
Head grade			
gold—g/t	0.45	0.46	0.43
uranium—kg/t	0.10	0.11	0.11
sulphur—per cent	0.96	0.89	0.86
PRICE RECEIVED ON SALES			
Gold—R/kg	15 403	13 574	12 563
$/oz	428	369	375
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	150 283	146 978	506 188
—costs	87 173	89 199	323 526
—profit	63 110	57 779	182 662
JMS profit	1 548	1 935	4 452
Net sundry income	7 449	521	15 611
Profit before taxation and State's share of profit	72 107	60 235	202 725
Provision for taxation and State's share of profit	38 300	7 032	45 332
Profit after taxation and State's share of profit	33 807	53 203	157 393
Deduct:			
Appropriation for capital expenditure ..			88 542
Dividend—interim			30 102
—final			38 703
Retained profit for the year			46
Capital expenditure:			
—Total	10 305	39 506	107 370
—Erfdeel division	7 018	25 213	55 439
SHAFT SINKING—ERFDEEL DIVISION			
Ventilation shaft Advance—metres	245.2	251.1	978.3
Depth to date—metres	1 270.7	1 025.5	1 025.5
Station cutting—metres	40.7	16.5	51.4
Main pump station cutting—metres ..	24.3	—	—

DEVELOPMENT

Shaft area	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
HOLDINGS DIVISION							
Basal reef							
Quarter ended December 1982	6 661	816	19.3	60.67	1 171	0.40	7.82
Quarter ended September 1982	7 167	562	11.4	289.56	3 301	2.22	25.41
Year ended September 1982	26 793	2 848	21.0	118.00	2 478	0.84	17.54
Leader reef							
Quarter ended December 1982	2 410	1 090	128.5	3.77	485	0.12	15.62
Quarter ended September 1982	2 870	1 256	138.9	3.15	437	0.13	18.51
Year ended September 1982	12 807	4 600	142.4	3.55	506	0.14	19.92

The development reported does not include development by Free State Geduld Mines Limited in the area under tribute to that company.

Shaft area	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
WELKOM DIVISION							
Basal reef							
Quarter ended December 1982	2 941	664	17.6	33.48	596	0.99	17.60
Quarter ended September 1982	3 064	452	19.5	33.05	644	0.86	16.80
Year ended September 1982	11 035	1 298	17.4	52.41	912	1.16	20.12
Leader reef							
Quarter ended December 1982	1 407	486	106.2	5.01	532	0.39	30.32
Quarter ended September 1982	1 448	742	131.8	2.30	303	0.16	20.84
Year ended September 1982	5 853	2 732	135.1	2.18	294	0.17	22.83
SAAIPLAAS DIVISION							
Basal reef							
Quarter ended December 1982	6 040	746	95.2	7.43	707	0.21	20.41
Quarter ended September 1982	6 327	778	65.7	10.12	665	0.25	16.25
Year ended September 1982	22 461	3 226	64.6	12.07	780	0.28	18.16

Development values on the Basal reef have been dropping over the past three quarters as a result of lower grades at No. 3 shaft. Although this trend is likely to continue in the short term, values are thereafter expected to return to higher levels which are more in line with the average for the shaft.

Shaft area	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Leader reef							
Quarter ended December 1982	150	—	—	—	—	—	—
Quarter ended September 1982	597	50	55.4	3.43	190	0.19	10.73
Year ended September 1982	4 333	672	92.3	4.53	418	0.19	17.30

DIVIDEND

The final dividend of 270 cents a share in respect of the year ended September 30 1982 was declared on October 21 1982 payable to members registered on November 12 1982 and was paid on December 10 1982.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at December 31 1982 for the Holdings, Welkom and Saaiplaas divisions totalled R6 935 000, while that of the Erfdeel Division amounted to R17 712 000.

For and on behalf of the board
N. F. OPPENHEIMER, G. S. YOUNG — Directors

January 21 1983

JOINT METALLURGICAL SCHEME

		Quarter ended Dec. 1982	Quarter ended Sept. 1982	Year ended Sept. 1982
SUMMARY				
(i)	Pyrite flotation plants slimes treated—tons	4 525 000	4 611 000	18 416 000
(ii)	Uranium plant			
	slimes treated—tons	850 000	974 000	5 210 000
	concentrate treated—tons	107 000	114 400	452 000
	uranium oxide produced—kg	185 352	207 331	976 660
(iii)	Acid plant acid produced—tons	85 946	60 875	343 934
(iv)	Gold plant			
	calcine treated—tons	80 721	55 956	314 587
	gold produced—kg	677	670	3 706
(v)	Profit—estimated—R000	12 628	10 869	46 671

PRESIDENT STEYN

President Steyn Gold Mining Company Limited and its wholly-owned subsidiary, Video Mining Company Limited

ISSUED CAPITAL: 14 566 400 shares of 50 cents each

	Quarter ended Dec. 1982	Quarter ended Sept. 1982	Year ended Sept. 1982
OPERATING RESULTS			
GOLD			
Area mined—m² 000	184	188	708
Tons milled 000	987	1 039	3 877
Yield—g/t	6.51	6.28	6.40
Production—kg	6 423	6 520	24 827
Cost—R/m² mined	266.54	249.07	250.57
—R/ton milled	49.69	45.07	45.76
R/kg produced	7 636	7 182	7 146
JMS (See Summary) Slimes delivered			
Tons 000	2 464	2 893	11 505
Head grade			
gold—g/t	0.59	0.58	0.64
uranium—kg/t	0.09	0.09	0.10
sulphur—per cent	0.82	0.81	0.82
PRICE RECEIVED ON SALES			
Gold—R/kg	15 380	13 937	12 647
—$/oz	426	378	377
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	97 511	93 885	315 893
—costs	49 044	46 826	177 406
—profit	48 467	47 059	138 487
JMS profit	5 635	3 923	19 841
Net sundry income	6 145	1 738	15 539
Profit before taxation and State's share of profit	60 247	52 720	173 867
Provision for taxation and State's share of profit	30 732	24 088	73 243
Profit after taxation and State's share of profit	29 515	28 632	100 624
Deduct:			
Appropriation for capital expenditure ..			44 913
Dividend—interim			25 491
—final			29 861
Retained profit for the year			359
Capital expenditure	9 120	12 675	44 781

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Basal reef							
Quarter ended December 1982	5 073	546	67.6	21.05	1 423	0.19	12.59
Quarter ended September 1982	5 194	574	69.4	32.48	2 254	0.14	9.66
Year ended September 1982	19 949	2,540	66.1	29.58	1 955	0.17	11.45
Leader reef							
Quarter ended December 1982	479	306	135.3	2.76	374	0.18	24.13
Quarter ended September 1982	795	388	122.3	2.54	311	0.15	18.20
Year ended September 1982	3 887	2 024	119.6	3.87	463	0.18	21.98
"A" reef							
Quarter ended December 1982	3 084	1 308	73.4	4.63	340	0.13	9.85
Quarter ended September 1982	3 510	1 142	63.9	6.98	446	0.14	9.13
Year ended September 1982	12 963	3 422	47.6	8.63	411	0.19	8.90

The development reported does not include development by President Brand Gold Mining Company Limited in the area under tribute to that company.

DIVIDEND

The final dividend of 205 cents a share in respect of the year ended September 30 1982 was declared on October 21 1982 payable to members registered on November 12 1982 and was paid on December 10 1982.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at December 31 1982 totalled R7 237 000.

For and on behalf of the board
G. LANGTON, G. S. YOUNG — Directors

January 21 1983

PRESIDENT BRAND

President Brand Gold Mining Company Limited

ISSUED CAPITAL: 14 040 000 units of stock of 50 cents each

	Quarter ended Dec. 1982	Quarter ended Sept. 1982	Year ended Sept. 1982
OPERATING RESULTS			
GOLD			
Area mined—m² 000	159	165	609
Tons milled 000	[illegible]	[illegible]	3 429
Yield—g/t	[illegible]	[illegible]	7.42
Production—kg	[illegible]	[illegible]	25 456
Cost—R/m² mined	[illegible]	[illegible]	256.86
—R/ton milled	[illegible]	[illegible]	45.62
R/kg produced	[illegible]	[illegible]	6 145
JMS (See Summary) Slimes delivered			
Tons 000	600	528	1 947
Head grade			
gold—g/t	[illegible]	[illegible]	0.88
uranium—kg/t	[illegible]	[illegible]	0.16
sulphur—per cent	[illegible]	[illegible]	0.83
PRICE RECEIVED ON SALES			
Gold—R/kg	[illegible]	[illegible]	12 520
—$/oz	[illegible]	[illegible]	373
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	[illegible]	[illegible]	321 604
—costs	[illegible]	[illegible]	156 426
—profit	[illegible]	[illegible]	165 178
JMS profit	[illegible]	[illegible]	17 421
Net sundry income	[illegible]	[illegible]	560
Dividend from Welkom Gold Mining Company Limited		4 991	8 682
Profit before taxation and State's share of profit	52 835	[illegible]	191 841
Provision for taxation and State's share of profit	28 611	17 614	80 523
Profit after taxation and State's share of profit	24 224	34 896	111 318
Deduct:			
Appropriation for capital expenditure ..			50 017
Dividend—interim			29 464
—final			31 590
Retained profit for the year			227
Capital expenditure:			
—Mine	5 078	14 931	42 558
—JMS	1 239	[illegible]	3 159
Included ore milled and treated by Free State Geduld Mines Limited—tons 000	15	10	84
SHAFT SINKING			
No. 5 shaft Advance—metres	[illegible]	[illegible]	722.6
Depth to date—metres	[illegible]	[illegible]	1 204.8
Station cutting—metres	[illegible]	[illegible]	309.6

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Basal reef							
Quarter ended December 1982	6 396	532	111.0	19.80	2 196	0.08	8.53
Quarter ended September 1982	7 119	354	114.4	18.55	1 959	0.07	7.87
Year ended September 1982	26 713	2 252	101.6	18.71	1 901	0.08	8.02
Leader reef							
Quarter ended December 1982	2 641	1 052	137.7	3.89	535	0.12	16.08
Quarter ended September 1982	2 795	954	132.4	3.63	480	0.10	13.77
Year ended September 1982	10 115	3 458	124.4	3.80	473	0.10	15.01
"A" reef							
Quarter ended December 1982	264	198	64.4	8.23	554	0.09	6.00
Quarter ended September 1982	418	274	76.0	7.71	586	0.17	13.07
Year ended September 1982	2 733	1 110	82.6	5.26	435	0.14	11.64

The development reported includes development by the company in the area under tribute from President Steyn Gold Mining Company Limited.

DIVIDEND

The final dividend of 225 cents a unit of stock in respect of the year ended September 30 1982 was declared on October 21 1982 payable to members registered on November 12 1982 and was paid on December 10 1982.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at December 31 1982 totalled R10 004 000.

For and on behalf of the board
D. A. ETHEREDGE, G. S. YOUNG — Directors

January 21 1983

FREE STATE GEDULD

Free State Geduld Mines Limited

ISSUED CAPITAL: 14 040 000 units of stock of 50 cents each

	Quarter ended Dec. 1982	Quarter ended Sept. 1982	Year ended Sept. 1982
OPERATING RESULTS			
GOLD			
Area mined—m² 000	171	176	589
Tons milled 000	863	883	3 065
Yield—g/t	[illegible]	[illegible]	8.41
Production—kg	[illegible]	[illegible]	25 776
Cost—R/m² mined	[illegible]	[illegible]	324.51
—R/ton milled	[illegible]	[illegible]	62.38
—R/kg produced	[illegible]	[illegible]	7 418
JMS (See Summary) Slimes delivered			
Tons 000	592	620	2 503
Head grade			
gold—g/t	[illegible]	[illegible]	0.53
uranium—kg/t	[illegible]	[illegible]	0.09
sulphur—per cent	[illegible]	[illegible]	1.02
PRICE RECEIVED ON SALES			
Gold—R/kg	15 353	12 419	12 460
—$/oz	[illegible]	[illegible]	371
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	[illegible]	87 471	323 482
—costs	[illegible]	55 254	191 194
—profit	41 217	32 227	132 288
JMS profit	1 342	1 742	4 957
Net sundry income (expenditure)	3 149	(483)	11 204
Profit before taxation and State's share of profit	48 006	32 586	148 449
Provision for taxation and State's share of profit	22 062	(11 405)	7 417
Profit after taxation and State's share of profit	25 946	43 991	141 032
Deduct:			
Capital expenditure appropriation and transfer			108 547
Dividend—interim			16 704
—final			15 660
Retained profit for the year			121
Capital expenditure	10 237	39 703	111 197
Ore milled and treated for President Brand Gold Mining Company Limited—tons 000	15	10	84

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Basal reef							
Quarter ended December 1982	14 746	1 314	89.7	11.75	1 054	0.14	12.25
Quarter ended September 1982	14 556	1 622	81.7	24.64	1 284	0.23	11.85
Year ended September 1982	55 725	6 184	37.3	35.39	1 320	0.37	13.80
Leader reef							
Quarter ended December 1982	238	144	185.8	1.72	320	0.08	14.63
Quarter ended September 1982	879	408	131.2	2.85	374	0.12	15.27
Year ended September 1982	4 247	1 986	180.0	2.72	435	0.10	16.78
"A" reef							
Quarter ended December 1982	584	68	91.1	2.97	271	0.08	7.43
Quarter ended September 1982	485	24	47.1	6.16	290	0.25	11.59
Year ended September 1982	933	284	76.1	6.11	465	0.09	6.47
"B" reef							
Quarter ended December 1982	912	236	153.6	1.81	278	0.02	3.53
Quarter ended September 1982	721	328	180.3	3.15	568	0.03	5.82
Year ended September 1982	2 863	700	175.8	3.03	533	0.03	6.11
Elsburg reef							
Quarter ended December 1982	53	—	—	—	—	—	—
Quarter ended September 1982	150	118	135.7	2.51	341	0.01	1.70
Year ended September 1982	258	130	137.7	2.27	312	0.01	1.70

The development reported includes development by the company in the areas under tribute from Free State Development and Investment Corporation Limited and Western Holdings Limited.

DIVIDEND

The final dividend of 150 cents a share in respect of the year ended September 30 1982 was declared on October 21 1982 payable to members registered on November 12 1982 and was paid on December 10 1982.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at December 31 1982 totalled R10 633 000.

For and on behalf of the board
G. LANGTON, G. S. YOUNG — Directors

January 21 1983

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTES:

1. DEVELOPMENT

   Development values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating ore reserves.

2. FORWARD SALES OF GOLD

   The companies have entered into contracts for the forward sale of limited quantities of gold. Some of these contracts matured during the quarter and the consequent slight reduction in gold revenue has been taken into account in the prices received on gold sales reported above.

   No further forward sales have been entered into since September 1982, and most of the remaining contracts will be closed during the first quarter of 1983.

The Transvaal Group's results appear on another page in this newspaper.

Copies of these reports will be available on request from the offices of the Transfer Secretaries.

Charter Consolidated P.L.C., PO Box 102, Charter House Park Street, Ashford, Kent, TN24 8EQ.

LONDON OFFICES: 40 HOLBORN VIADUCT, EC1P 1AJ

WELKOM GOLD MINING COMPANY LIMITED

The attention of shareholders is directed to the report of Western Holdings Limited.

UK COMPANY NEWS

House of Fraser delays Harrods demerger plans

BY JOHN MOORE, CITY CORRESPONDENT

HOUSE OF FRASER, the stores group, is delaying its presentation of possible proposals on the demerger of Harrods of Knightsbridge.

Last November, Lonrho, the international trading conglomerate, which holds 29.99 per cent of the shares in Fraser, won a round in its long running campaign for influence over the stores group. It gained shareholders' support for a resolution calling on Fraser to formulate proposals for the floating off, or demerger of Harrods. Under the resolution, House of Fraser was requested to report to shareholders on the matter in 90 days.

The deadline would have been reached at the beginning of February. But House of Fraser said yesterday at the end of a board meeting, attended by Lord Duncan-Sandys and Mr Terry Robinson of Lonrho, that the deadline was "impractical."

Mr Roland "Tiny" Rowland, Lonrho's chief executive, was said by the company to be in Africa yesterday. But Mr Alan Ball, deputy chairman of Lonrho, said he was "very disappointed" at yesterday's announced delay.

He said Lonrho will be holding a board meeting early next week to consider the developments. "Obviously we are in touch with our lawyers on the matter." He added that there had been no indication of the length of time that the House of Fraser would need to complete its deliberations.

At House of Fraser, Mr George Willoughby, a director, said that a number of problems had caused the delay in presenting the demerger proposals.

"A 360-page report has been circulated in draft form to the directors of House of Fraser, including the Lonrho representatives on the board, on a confidential basis, and to major shareholders," he said. "Originally we asked Lonrho to extend the 90-day period not only because of the complexities of the task involved but because it occurred during our main trading period and we wanted to take some of the pressure off. But they declined."

He said the report did not reach any conclusions. "Its remit was to collect the facts and advice and put it to directors."

The draft report has examined all aspects of the Fraser business and the ramifications of a possible demerger of Harrods, the group's major asset.

Consortium promises shake-up for UDS

BY RAY MAUGHAN

MR GERALD RONSON and Mr Cyril Spencer aim to "revitalise and develop" UDS retail operations and they believe they can do the job "more successfully than the existing management."

Chairman and chief executive respectively of Bassishaw Investments, the pension fund backed consortium put together to bid for stores group UDS, Mr Ronson and Mr Spencer plan a "limited rationalisation" of UDS' outlets with only a small effect on employment levels."

In the formal documents supporting the £191m cash offer, Bassishaw declares that "initial efforts will be directed at the ailing John Collier and Richard Shops chains where it is believed that the introduction of modern retail management techniques can, over time, make these multiples successful."

Pointing up UDS' poor retailing record, Mr Ronson notes that profits have slipped from £29.6m in the year to January 1978 to £8.3m by 1981. The final dividend last year was cut from 3.61p to 1p per share and the subsequent interim dividend for the period to July 31, 1982 was down from 2.6p to 1.6p per share.

UDS shares added 1p to 107p – a 7p premium on the Bassishaw bid terms – on the completion yesterday of a buying order for 600,000 shares.

RESULTS IN BRIEF

EVERARDS BREWERY

Brewer, distiller & wine & spirit merchant

Year to Sept 30	1982	1981
	£	£
Sales	18.25m	15.37m
Pre-tax profit	1.32m	1.6m
Tax	128,000*	842,000
Attributable profit	1.45m	958,000
Earnings per share	71.4p	47.1p
Dividend	–	–

* Credit

Y. J. LOVELL (HOLDINGS)

Construction property development & timber merchanting

Half-year to Sept 30	1982	1981
	£	£
Sales	153.81m	137.11m
Pre-tax profit	3.75m	3.19m
Tax	538,000	251,909
Attributable profit	3.16m	2.81m
Earnings per share*	19.8p	20.4p
Dividend	4.5p	4p*

* Adjusted

MFI

Furniture manufacturer & retailer

Half-year to Nov 27	1982	1981
	£	£
Sales	195.86m	84.87m
Pre-tax profit	11.28m	7.12m
Tax	5.07m	2.15m
Attributable profit	6.21m	4.97m
Earnings per share	3.82p	2.92p
Dividend	1.4p	1.1p

LEDA & LYLE

Investment trust

Half-year to Dez 31	1982	1981
Sales	447,837	414,341
Pre-tax profit	–	–
Tax	118,819	110,003
Attributable profit	–	–
Earnings per share	5.62p	4.59p
Dividend	4.79p	4.48p

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Investment trust

Year to Dez 31	1982	1981
	£	£
Sales	353,216	413,530
Pre-tax profit	157,336	178,077
Tax	47,951	60,184
Attributable profit	87,143	118,893
Earnings per share	2.73p	2.97p
Dividend	2.3p	2.3p

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MINING

Elandsrand pays 15c in fourth full year

BY GEORGE MILLING-STANLEY

THE END of the quarterly reporting season from South Africa's gold mines is highlighted by a maiden dividend from the Anglo American Corporation's Elandsrand, in only its fourth full year of operation.

The payment, a final dividend for the calendar year 1982, is 15 cents a share. Market expectations had ranged between 5 and 20 cents a share.

The other final dividends from the Transvaal mines in the Anglo group were broadly in line with the market's hopes.

The final of 40 cents from South African Land and Exploration ("Sallies") makes a total for the year of 75 cents, against 40 cents in 1981.

Southvaal's 210 cents final comes in spite of lower net profits of R86.13m, and makes a total of 330 cents compared with 355 cents in the previous year.

Vaal Reefs has again exceeded the previous year's record gold output, and the final payment of 600 cents makes a total of 950 cents for the year, against 980 cents last time.

The total from Western Deep Levels of 395 cents, after a final of 280 cents, compares with the 1981 figure of 405 cents.

In general terms, the results for the December quarter from these mines and Anglo's operations in the Orange Free State reflect the higher average gold price prevailing during the period.

Several of the mines curtailed their capital spending, and where this happened it led to increased tax charges and thus lower net profits.

In response to the higher gold price, five of the companies, Vaal Reefs, President Brand, Western Deep, Free State Geduld and Sallies lowered their gold grades, leading to lower production.

Nevertheless, the latest quarter's results represent an outstanding performance from Vaal Reefs, with net profits up by no less than 53 per cent. This mine raised its capital spending, which gave rise to a lower tax charge.

The mine produced the first gold from the Afrikander Lease area during the quarter, and this helped to compensate for a lower milling rate on the South Lease area.

The South Lease is mined under tribute to Southvaal Holdings, and royalty payments to this company were lower as a consequence of the slightly lower level of activity. This factor, allied to higher expenses and an increase in taxation, brought about Southvaal's lower net profits.

Another feature of the December quarter's results was the wide variance between the individual mines in terms of limiting the rate of increase in working costs.

Where lower gold grades were combined with reduced milling rates, costs rose substantially, with President Steyn and Western Deep both around 10 per cent higher. This trend is worrying, and will no doubt receive management attention in the current quarter.

The gold prices received by the individual mines are all similar, and broadly in line with the average London closing price for the period of $427 an ounce.

This is because the Anglo mines generally made little use of the Reserve Bank's permission to hedge their production on the future markets, in marked contrast to some of the mines in the other groups.

Palabora reports sharp rise in copper sales

SOUTH AFRICA's Palabora Mining, a Rio Tinto-Zinc group member which is one of the few, possibly the only, copper mining companies in the world to be still making a profit, reports a sharp increase in copper sales during the December quarter of 1982.

At 35,851 tonnes they compare with 28,457 tonnes in the previous three months and bring the 1982 total to a record 122,345 tonnes against 113,687 tonnes in 1981.

Prior to the temporary closedown of the refinery in March for maintenance work and modifications it became necessary to build up stocks of cathodes in order to meet customer requirements.

When the refinery resumed operations it worked at full capacity but was unable to treat all the anodes available and the resultant cathode production was lower in 1982 than in 1981 so all the cathode stocks were sold.

This left a large stockpile of anodes which will be refined into cathodes (copper metal which has been refined by an electrolytic process) during the current year.

Recovery in production at Golden Dumps

SOUTH AFRICA'S Golden Dumps, the company that has taken over the old Consolidated Modderfontein and South Roodepoort Main Reef Areas gold properties, reports that the former made a net profit in the December quarter of R599,000 ($580,000) compared with only R25,000 in the previous three months.

Gold-bearing material at Consolidated Modder is derived both from surface dumps and underground mining operations. The past quarter saw a sharp recovery in the amount of surface material treated, with a resultant rise in gold production. Throughput of underground ore also rose, with the result that there was a marked decrease in working costs.

At South Roodepoort, increased gold production and a higher bullion price received resulted in a net profit for the quarter of R223,000, compared with R106,000 in the September quarter.

Both operations, however, incurred capital expenditure amounting to more than the net profits.

Gold at Pine Creek

BY KENNETH MARSTON

AN ENCOURAGING gold find has been outlined by Australia's Enterprise Gold Mines at Pine Creek, south-east of Darwin in Australia's Northern Territory.

The Consolidated Gold Fields group, via its Australian arm, Renison Goldfields Consolidated, is farming in to the exploration programme with a view to acquiring a 49 per cent interest.

So far Renison has put down 25 drillholes. A further 50 holes are planned for 1983. Taking a cut-off grade of 1 gramme gold per tonne, the deposit is estimated to hold more than 5.1m tonnes grading 3.4 grammes gold per tonne down to a depth of about 150 metres.

Shares of Enterprise Gold Mines rose 8p to 34p in London yesterday, those of Renison remained at 218p.

THE PROPERTY MARKET BY MICHAEL CASSELL

Hongkong Land feels the draught

TREVOR BEDFORD, tough-talking managing director of Hongkong Land, thinks it unwise to stay away from home for a moment longer than is necessary.

As chief executive of one of the world's largest property companies, based on a Hong Kong property market finding it hard to support anything other than rumours about the next calamity, Bedford's overseas sorties are brief.

Such is the pace and unpredictability of events at home that his scheduled appearance at this week's London conference on International property —organised by the Financial Times—was cancelled because he had to get back.

By way of compensation, however, there came an invitation to join the former bureaucrat turned high-flying businessman, for a pre-dawn breakfast at the Hyde Park Hotel and to hear his characteristically blunt views on what really is happening in Hong Kong.

"It is in the nature of the place that, once in a while, everything goes over the top. The market is suffering from a classic oversupply of space, nothing more and nothing less. A lot of rot about Hong Kong's political future tends to overshadow the simple fact that there is far too much space available overall.

"We are seeing part of the normal economic cycle and, although it may be two years or more before we can expect a recovery, I see little evidence of a flight of capital or of companies shutting up shop and moving on."

With 90 per cent of its profits and assets related to the colony, Hongkong Land could have a great deal to lose if something much more serious lay ahead, so it is hardly surprising that Bedford is working hard at being confident.

Even so, he admits that the group is feeling the draught and it seems fair to assume that it would rather not have forged its connections with Carrian Group, the former property glamour stock which is now desperately trying to stave off whole or partial liquidation.

Bedford rates Carrian's chances of survival as about even but claims that the worst possible outcome would have minimal impact on his own group's position.

In a move which highlighted the growing friendship between the two groups, Land and Carrian Investments last June formed a joint-venture company into which Land injected three blocks of flats valued at around HK$998m. Carrian is paying for its half-share in instalments but, come the worst, Bedford says the 200 flats would simply be taken back into the group portfolio.

Land and Carrian were also among the partners in the successful HK$2.8bn bid for the Miramar Hotel site, which will house a 1m sq ft redevelopment scheme. This is not threatened and Bedford emphasises that Land is not abandoning any of its own major schemes.

There are, however, one or two "postponements or retimings." The Ice House Street scheme in Central, being redeveloped with the adjoining Mercantile Bank buildings, is being rescheduled while work has ben postponed on a 400-luxury homes development at Redhill, near Stanley. Overseas, the long-awaited deal in Denver with Gerald Hines is still two years off.

Of the existing portfolio, Bedford says voids might rise towards 10 per cent against the more traditional 1 or 2 per cent and he accepts that rent negotiations have become much tougher. In Edinburgh Tower, the new 600,000 sq ft office complex which forms part of the Landmark Centre, lettings are running at $28-$31 a sq ft per month, reflecting zero growth over the past 12 months. Prime office rents in Central—where 2½m sq ft of Land's portfolio is located—are generally off between 5 per cent and 10 per cent from the peak, though Bedford does not expect any further deterioration.

The Connaught II office scheme in Central, which will form part of the rechristened Exchange Square complex and add another 1m sq ft plus to the available stock, proceeds unperturbed.

As Bedford puts it: "Our future lies firmly in Hong Kong. With inquiries already received for half a million square feet in Exchange Square, a lot of other people clearly feel the same."

Empty space still rising

WITH manufacturing output at its lowest ebb for 16 years, the stockpile of redundant factory and warehouse space in England and Wales has reached yet another peak.

Figures from King & Co show that the rate at which empty buildings are still coming onto the market is continuing to outstrip any increase in the space requirements of manufacturing industry and commerce.

At the end of last year the total volume of empty factory and warehouse space had risen to a record 175m sq ft. This compares with 146m sq ft on the market at the end of 1981. In 1979, the volume of empty industrial space in England and Wales, was only 54m sq ft.

The only comfort to be drawn from the latest floorspace figures is that the surplus of vacant industrial premises is not rising as rapidly as it once was. Given the huge surplus of space, it looks like being another extremely difficult year for industrial property—even if the economy shows any signs of improvement.

According to King and Co the volume of empty space in England and Wales rose by only 4.2 per cent between August and December last year—the lowest four monthly increase since the end of 1980.

A breakdown of regional markets shows that there has been little change in available floorspace in areas like the east midlands and East Anglia.

Consumer spending could boost rents

FOR THE first time since the second world war, the property market faces "a persistent, crude surplus" of available accommodation in all sectors, according to agents Edward Erdman.

In its 1982 market review, Erdman says availability of space will mean that only properties meeting the highest criteria in terms of quality and location will attract tenants and perform satisfactorily as investments. Retail stands the best chance of an early revival in any pre-election consumer boom but short-term yields are vulnerable if projected rental growth fails to materialise.

● Shares in Cussins Property showed a useful gain this week following news that it had prelet the main store in its Denmark Centre shopping scheme, South Shields. The 30,000 sq ft store is being taken by Allied Suppliers (Properties) on a 35 year lease at a rent in excess of £200,000 a year. Cussins' current group rental income is about £250,000 a year. Centre letting agents are Swaisland.

● Academic Press beat off two contenders to sign at full asking terms a lease for 38,500 sq ft of factory and office space at Joel House, the Heron Corporation-Centric Securities scheme at Oval Road, close to Regents Park. Rental for the 35 year lease is £195,000 a year. The tenant was represented by White Michaels and Norman Hirshfield Hyde & Brown and James Andrew arranged the letting.

● Tarmac Properties Southern has purchased and is to refurbish the entire eastern terrace of Bedford Square, WC1. The 10 houses will be sold as offices and Leicester County Council Superannuation Fund is purchasing two, with an option on two more. The houses are likely to raise £1.5m each.

● Neville Russell, chartered accountants, are taking an assignment of the Bank of Montreal's premises at 246 Bishopsgate, City of London. Rent for the building, which has 43,650 sq ft of net space, is £505,200 a year. Richard Ellis acted for Neville Russell and St Quintin advised the Bank.

● Sarakreek, the Dutch property investment specialist now listed on the London stock exchange, has paid $26.8m cash for South Hills Mall, a freehold 482,000 regional shopping centre at Poughkeepsie, New York. Net operating income is estimated at $2.5m a year, providing Sarakreek with a 9.3 per cent yield.

● West of England Ship Owners Insurance Services has taken 40,000 sq ft in International House at the World Trade Centre next to London Bridge. There are now 22 tenants.

'Beware the perils of relocation'—Ellis

OFFICE occupiers on the verge of forsaking the seamy streets of London for pastures green and plenty of parking space had better think again.

That, at least, is what some self-imposed exiles have been doing and what any potential imitators should now do, according to the 1983 property market report from Richard Ellis.

Ellis, which has more than a passing interest in maintaining the health of London's property markets, refers to the exodus of major office users in the wake of a recession-induced re-examination of their accommodation requirements.

It proclaims, however, that the fundamental attractions of London remain impressive and that many large occupiers have in any case now completed their property assessments. Some, it concedes, will continue to leave but it does not believe the trend will accelerate.

But Ellis goes much further and says there is now evidence which implies that some earlier relocation decisions are now being regretted. Some who left, the report emphasises, are questioning the basic assumptions which originally led to their departure.

It suggests that the benefits in life style and in the utilisation of office technology can be counter-balanced by severe doubts on cost savings seen after a number of years and it underlines the rapid escalation in rents in many of the towns which have become relocation favourites.

Rent increases, together with the prospect of a commercial rating revaluation in 1985 or 1986, could produce total accommodation costs in some centres not far short of those in London.

But worse is to come. Ellis suggests that companies are also beginning seriously to question the psychological effects on staff of moves out of London. While workers may experience a more attractive life style, shorter commuting hours, less noise and a more relaxed style of business and social life, they may also become just a little bit too relaxed.

According to the report: "It is suggested that the slower pace of life also leads to a diminishing of business efficiency. The pressure created by working in the City of London and the West End can lead to more competitive business attitudes and a keener appreciation of the need for an individual to play a role."

A deeper understanding of the psychological advantages and disadvantages of office and industrial relocation for workers must, Ellis adds, be appreciated by management. The psychological effect on agents and surveyors of any trend which adds to the mounting surplus of available space in the capital may also prove a matter worthy of further consideration.

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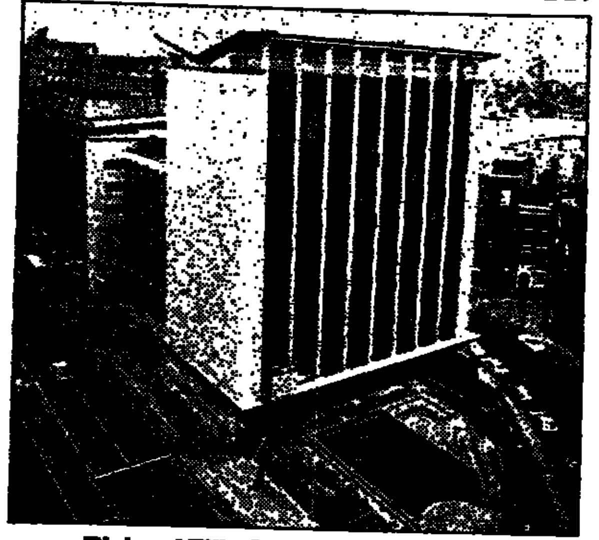

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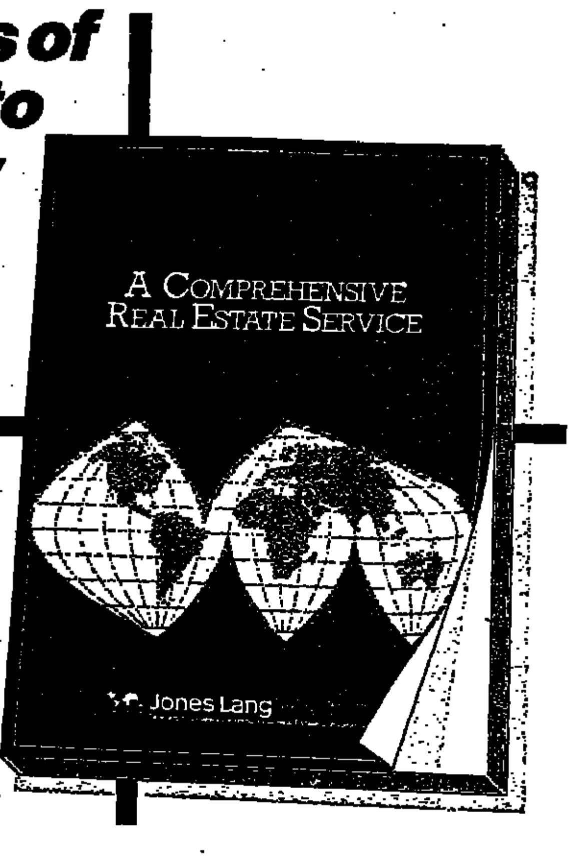

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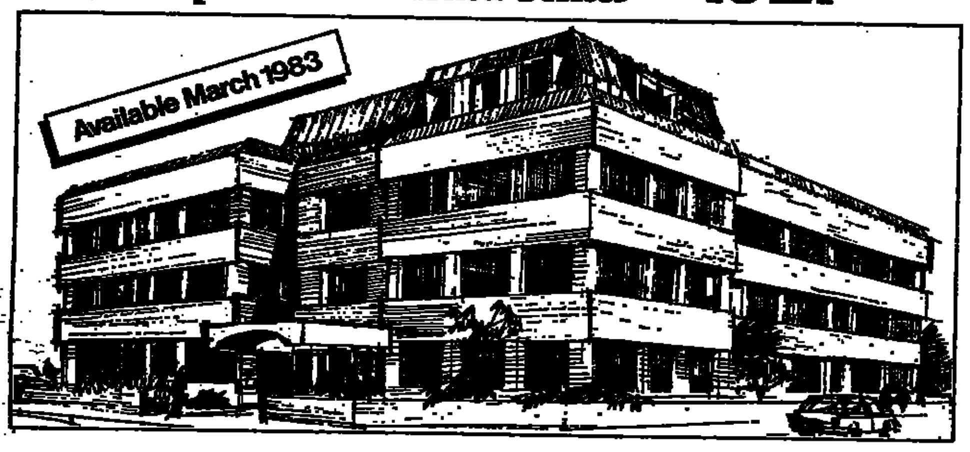

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A FINANCIAL TIMES SURVEY
CITY OF LONDON PROPERTY

The Financial Times proposes to publish a Survey on the above. The provisional dates and editorial synopsis are set out below.

PUBLICATION DATE: FEBRUARY 25, 1983
COPY DATE: FEBRUARY 15, 1983

INTRODUCTION The UK commercial property market's principal stronghold has held up reasonably well under recessionary pressures, though there are plenty of weak spots. Overall space availability heavily outweighs demand; when will the tables turn?

OFFICE RENTS The central city area is one of the few locations in the country to have shown significant rental growth recently. Some rents have now reached £30 a sq ft; what is the short-term outlook for further growth?

CITY FRINGES Some outer locations have suffered badly as the demand for office space has dropped. Prospects for their recovery.

SOUTH BANK Its attractions as a City overspill look distinctly dubious in current market conditions but will an economic upturn improve its chances? The outlook for some of the schemes proposed and under way.

INVESTMENT Has investment interest in City of London property declined in the face of its weakening performance?
DEVELOPMENT The pace and scale of new development planned or in the pipeline does not appear to have been seriously affected by the state of the economy. A review of the likely pattern of office completions over the medium-term.
HOLBORN Hard times in Holborn? A look at space availability and prevailing rents in one of the City's most important, self-contained markets.

RETAILING A small but significant City market. After two years of falling rents, central London has seen retail rents begin to improve. Has the trend spread to the City?

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RESULTS IN BRIEF

■ ANDRE DE BRETT
Supplier of outsize clothing

Half-year to Sept 30	1982	1981
	£	£
Sales	2.41m	2.23m
Pre-tax profit	407,000	402,000
Tax	212,000	208,000
Attributable profit	195,000	199,000
Earnings per share	2.44p	2.5p
Dividend	1p	1.5p*

*For full year

■ DAVY CORPORATION
Heavy engineering

Half-year to Sept 30	1982	1981
	£	£
Sales	385.79m	388.23m
Pre-tax profit	3.08m	8.59m
Tax	770,000	2.97m
Attributable profit	3.49m*	2.88m
Earnings per share	2.4p	4.8p
Dividend	1.1p	2.2p

* Loss after £5.8m reorganisation and closure costs

■ WHATLINGS
Civil engineer

Year to Sept 30	1982	1981
	£	£
Sales	23.88m	28.69m
Pre-tax profit	693,000	416,000
Tax	43,000	17,000
Attributable profit	650,000	399,000
Earnings per share	16.25p	9.98p
Dividend	2.5p	1p

■ EUROTHERM INTERNATIONAL
Manufacturer of electronic products

Year to Oct 31	1982	1981
	£	£
Sales	35.44m	27.8m
Pre-tax profit	4.38m	3.27m
Tax	1.91m	1.45m
Attributable profit	2.82m	1.75m
Earnings per share	21.86p	14.9p
Dividend	6.5p	5p

■ DIXONS GROUP
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Half-year to Nov 13	1982	1981
	£	£
Sales	132.56m	135.96m
Pre-tax profit	5.52m	6.08m
Tax	2.31m	2.66m
Attributable profit	3.21m	3.43m
Earnings per share	–	–
Dividend	1.45p	1.379p

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Thur Jan 20 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed Jan 19 Index No.	Tues Jan 18 Index No.	Mon Jan 17 Index No.	Fri Jan 14 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (208)	430.50	—	9.29	4.00	13.40	430.44	432.88	434.19	429.19	367.47
2	Building Materials (24)	417.90	+0.8	10.10	4.54	11.92	414.64	411.62	415.25	406.86	322.18
3	Contracting, Construction (30)	752.96	+0.5	11.70	4.38	10.19	748.94	743.38	746.43	732.56	562.98
4	Electricals (32)	1617.51	−0.5	7.38	2.13	17.38	1626.29	1643.24	1665.88	1654.65	1255.07
5	Engineering, Contractors (10)	414.99	−4.1	16.89	7.50	7.25	432.91	418.38	420.35	420.87	513.63
6	Mechanical Engineering (66)	202.55	+0.3	11.96	5.85	10.22	202.01	201.11	201.50	199.39	197.57
8	Metals and Metal Forming (11)	162.78	−0.7	13.30	7.64	9.05	163.95	162.24	162.98	161.86	174.40
9	Motors (18)	80.30	—	1.06	7.92	—	80.27	80.07	80.69	79.38	101.12
10	Other Industrial Materials (17)	387.19	+1.7	9.05	5.51	13.76	380.88	377.80	377.43	370.48	305.57
21	CONSUMER GROUP (201)	412.28	+1.1	10.13	4.30	11.96	407.87	403.31	408.63	404.36	284.84
22	Brewers and Distillers (23)	456.51	+0.1	11.05	4.68	11.05	456.04	449.03	450.25	446.15	277.64
25	Food Manufacturing (21)	333.41	+0.6	13.73	5.53	8.54	331.41	330.82	335.72	335.16	281.19
26	Food Retailing (14)	851.03	+0.3	7.35	2.78	17.07	848.14	852.99	867.08	862.73	580.06
27	Health and Household Products (8)	737.83	+2.5	5.35	2.47	22.20	719.70	710.33	722.34	709.09	377.66
29	Leisure (24)	485.71	+1.7	8.44	4.96	15.36	477.71	472.64	473.82	466.68	433.33
32	Newspapers, Publishing (13)	705.62	−0.7	8.98	4.59	14.04	710.87	699.86	684.40	669.85	492.55
33	Packaging and Paper (14)	154.10	−0.1	15.12	7.27	7.77	154.18	154.25	152.37	149.38	141.31
34	Stores (47)	357.36	+0.8	8.44	3.84	15.66	354.48	349.34	358.15	355.81	256.90
35	Textiles (23)	180.87	+1.0	13.14	5.93	9.22	179.02	177.66	178.33	178.86	162.71
36	Tobaccos (3)	492.75	+2.7	17.80	5.62	6.21	479.64	466.37	473.51	462.23	283.71
39	Other Consumer (11)	355.57	+1.5	2.37	3.91	—	350.37	350.43	349.71	343.24	264.80
41	OTHER GROUPS (77)	302.69	+0.7	11.45	5.58	10.49	300.73	298.60	299.10	295.64	246.30
42	Chemicals (15)	401.77	+0.2	12.27	6.02	9.68	401.03	394.23	395.74	381.35	328.53
44	Office Equipment (5)	91.52	+3.2	14.97	7.90	8.20	88.71	89.03	89.17	86.61	120.18
45	Shipping and Transport (13)	543.06	−0.1	15.95	7.84	7.47	543.44	540.68	546.31	536.47	568.29
46	Miscellaneous (44)	426.80	+1.0	9.35	4.25	13.02	422.76	422.93	422.08	418.35	385.23
49	INDUSTRIAL GROUP (486)	404.35	+0.7	10.01	4.35	12.19	401.68	399.71	403.00	398.59	307.85
51	Oils (14)	768.91	+2.1	16.45	7.52	7.37	752.47	746.13	750.85	749.89	783.37
59	500 SHARE INDEX	434.64	+0.9	10.98	4.83	11.02	430.84	428.46	432.55	427.69	348.03
61	FINANCIAL GROUP (121)	284.22	+0.7	—	6.21	—	282.23	279.72	280.76	278.55	253.36
62	Banks (6)	294.04	+0.5	34.29	8.20	3.19	292.50	291.02	292.96	296.90	277.90
63	Discount Houses (8)	278.62	−0.2	—	8.50	—	279.23	281.47	280.94	278.46	216.92
65	Insurance (Life) (9)	354.45	+1.1	—	5.40	—	350.65	346.95	358.73	344.01	253.60
66	Insurance (Composite) (10)	194.07	+1.3	—	7.33	—	191.57	189.11	190.05	188.14	157.82
67	Insurance Brokers (7)	560.91	+1.8	11.45	4.86	12.16	550.78	542.87	545.78	538.57	425.41
68	Merchant Banks (13)	160.53	+0.3	—	5.38	—	160.04	159.72	158.46	157.25	148.59
69	Property (54)	424.24	−0.1	6.07	4.21	21.75	424.51	420.78	420.48	413.43	409.31
70	Other Financial (14)	207.74	+0.7	13.45	5.61	8.83	206.23	204.23	203.76	200.54	182.23
71	Investment Trusts (109)	393.78	+1.1	—	4.26	—	389.45	389.94	388.16	385.16	296.00
81	Mining Finance (4)	269.86	−1.3	7.61	5.27	17.60	273.55	268.71	271.85	261.07	223.44
91	Overseas Traders (16)	431.72	+0.4	11.56	8.38	11.43	430.16	433.66	433.87	428.87	420.28
99	ALL-SHARE INDEX (750)	398.27	+0.8	—	5.06	—	395.07	392.79	395.82	391.41	319.39

FIXED INTEREST

	PRICE INDICES	Thur Jan 20	Day's change %	Wed Jan 19	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	116.47	+0.17	116.28	—	0.98
2	5-15 years	125.57	+0.13	125.41	—	1.35
3	Over 15 years	132.08	−0.17	132.31	—	0.00
4	Irredeemables	138.22	—	138.22	—	0.00
5	All Stocks	124.60	+0.05	124.53	—	0.86
6	Debentures and Loans	100.04	+0.14	99.90	—	0.23
7	Preference	75.37	+0.02	75.36	—	0.21

	AVERAGE GROSS REDEMPTION YIELDS		Thur Jan 20	Wed Jan 19	Year ago (approx.)
	British Government				
1	Low	5 years	8.96	8.91	12.64
2	Coupons	15 years	10.55	10.53	13.81
3		25 years	10.77	10.76	13.68
4	Medium	5 years	11.56	11.63	15.59
5	Coupons	15 years	11.66	11.63	15.48
6		25 years	11.21	11.18	14.90
7	High	5 years	11.66	11.75	15.94
8	Coupons	15 years	11.85	11.84	15.46
9		25 years	11.39	11.35	15.23
10	Irredeemables†		10.69	10.69	13.20
11	Debs & Loans	5 years	12.63	12.65	16.53
12		15 years	12.63	12.65	16.37
13		25 years	12.63	12.65	16.27
14	Preference†		13.18	13.18	15.98

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

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LONDON INDICES

FINANCIAL TIMES STOCK INDICES

	Jan. 20	Jan. 19	Jan. 18	Jan 17	Jan. 14	Jan. 13	A year ago
Government Secs.	78.92	78.90	78.67	79.49	78.56	77.70	63.65
Fixed Interest	80.68	80.63	80.46	80.66	80.37	79.98	68.90
Industrial Ord.	624.8	621.6	614.8	619.8	614.2	604.6	549.8
Gold Mines	656.3	664.2	656.3	660.4	634.5	660.4	266.5
Ord. Div. Yield	4.79	4.84	4.86	4.81	4.85	4.95	5.55
Earnings, Yld.% (full)	10.29	10.30	10.40	10.26	10.46	10.68	9.73
P/E Ratio (net) (*)	11.66	11.67	11.56	11.72	11.47	11.24	13.11
Total bargains	23,715	24,021	24,768	25,660	25,225	20,710	18,500
Equity turnover £m.	—	212.71	200.71	222.06	249.45	233.2	182.37
Equity bargains	—	19,129	21,144	24,168	22,574	20,376	16,777
Shares traded (ml)	—	136.0	133.1	166.8	160.9	147.0	107.1

10 am 621.8. 11 am 621.9. Noon 623.7. 1 pm 623.6. 2 pm 624.1. 3 pm 624.3.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil = 10.83.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	85.84 (5/11)	61.89 (5/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (12/11)	62.79 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	637.4 (12/11)	518.1 (5/1/82)	637.4 (12/11/82)	49.4 (26/6/40)
Gold Mines	664.2 (19/1/83)	181.2 (22/6)	664.2 (19/1/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 19	Jan. 18
—Daily		
Gilt Edged Bargains	162.7	198.7
Equities Bargains	123.9	137.0
Equities Value	429.9	405.7
5-day Avrge:		
Gilt-Edged Bargains	231.2	252.0
Equities Bargains	139.2	140.2
Equities Value	452.0	465.3

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or —	Net Div.	Times Covered	Gross Yield	P.E. Ratio
‡‡	F.P.	—	263	250	AMEC (50p)	252	+1	g9.0	—	5.1	—
§108	F.P.	13/1	192	140	‡Baltic Leasing 5p	186	—4	b2.8	3.5	2.2	14.7
§75	F.P.	10/1	175	115	‡Bespak 10p	175	+17	b2.5	3.3	2.0	16.2
¶¶	F.P.	—	16	12	‡Booth (Charles) 5p	15	...	—	—	—	—
§100	F.P.	22/4	102	100	Br. Kidney Pat. As.	102	...	—	—	—	—
¶215	100p	22/4	84	60	Britoil 10p	60	—1	b9.9	1.8	8.1	8.7
§74	F.P.	21/1	158	103	‡Canvermoor	158	+11	b3.64	2.0	3.3	17.9
55	F.P.	7/1	133	98	‡GarfunkelsRest.10p	114	+1	b1.86	3.2	2.3	14.9
§17	F.P.	21/1	35	24	‡Inn Leisure 5p	33	.....	ud.42	3.7	1.8	16.5
§130	F.P	14/1	190	155	‡Memory Comp Ir10p	190	.....	bQ28.8%	5.8	1.2	28.1
§120	F.P.	30/12	265	195	‡Micro Bus. Sys. 10p	258	—4	b2.25	3.4	1.2	25.8
‡190	F.P.	—	388	330	‡Microgen	388	+25	b4.0	2.9	1.3	32.0
§155	F.P.	7/1	255	200	‡Munford & White	243	—2	b2.6	2.4	1.5	38.4
¶¶	F.P.	—	177	149	‡NMW Computers	172	+2	g3.0	2.8	2.5	18.2
§95	F.P.	4/2	198	145	‡Resource Tech.10p	175	—5	—	—	—	33.7
525	F.P.	14/1	217	143	S.T.C (New)	195	+3	b6.0	1.9	4.4	16.0
§62½	F.P.	21/12	150	102	‡SlatersFoodPrds10p	142	+2	b2.0	3.5	2.0	15.0
‡‡	F.P.	—	13	13	‡Southwest Res.10p	13	......	—	—	—	—
§120	F.P.	—	125	110	‡Swindon Priv Hos £1	110	.....	—	—	—	—
§210	F.P.	17/12	335	275	SystemsDesign'rs 10p	335	+15	b2.2	3.5	0.9	42.9
§10½	F.P.	—	40	16	‡Tops Estates 10p	40	.....	—	—	—	—
‡‡	F.P.	18/2	195	175	Transcontl. Serv. 50c.	187	.....	HQ8.57	—	5.1	—
§80	F.P.	—	87	55	††Voyager Pet. (UK)	55	.....	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or —
‡‡	F.P.	—	108	102	AMEC 15% Uns. Ln. 1992	106½	—¼
97.504	£25	4/3	29⅛	18¾	BOC 12¼% Uns. Ln. 2012-17	19½	......
99.431	£20	10/4	21⅞	13	Birmingham 11½% Red. 2012	14⅛	......
96.574	£25	29/4	26¼	25½	Bishopsgate Tst. 7-17% Stpd Deb 2023	24	+½
97.91	£30	—	32	18¼	European Inv. Bk. 11% Ln. 2002	19½	......
‡‡	F.P.	—	36p	30p	Jessel Toynbee 3.75% Red Cum. Pref.	35p	......
99.799	£25	31/5	25½	22	London Shop 12.5% 1st Mt. Deb. 2015-20	24½	......
99.13	£25	31/5	24¾	20⅝	NatWest 12¼% Sub. ord Uns Ln.2004	22¼	......
—	—	—	100¼	99½	Nationwide Bg.Soc.11¼% Bds.(19/12/83)	99¼	......
—	—	—	99	99	Do. 11⅞ Bds.(23/1/84)	99	......
§97.174	£25	—	24¼	24	Pearson (S) 13% Uns. Ln. 2007/24		......
§99.798	£30	26/2	30¾	26½	Scottish Eastern Inv. Tst 12% Deb. 2012	28½	+⅛
96.55	£25	8/7	25⅜	25	Sweden 13½% Ln. Stk. 2010	26⅛	......
‡‡	F.P.	18/2	90	85	Transcont. 9% Cnv.Red.Uns.Ln.Nts.1995	88	......

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982/3 High	1982/3 Low	Stock	Closing price	+ or —
26	Nil	28/1	18/2	143pm	94pm	Arlen Elec.	143pm	+9
90	Nil	28/1	18/2	24pm	18pm	Bellway	22pm	+3
80	Nil	—	—	5pm	3pm	Cluff Oil 'B'	3pm	—1
60	F.P.	14/1	11/2	75	65	ICL	75	+1
93	Nil	—	—	24pm	16pm	NSS News 10p	21pm	—1
58	Nil	3/2	29/4	5pm	5pm	Stakis 10p	5pm	......
470	F.P.	11/1	11/2	595	525	Wolseley-Hughes	585	......

Renunciation date usually last day for dealing free of stamp duty. Fr French francs. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. z Indicated dividend; cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. ♦ Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ‡ Unlisted Securities Market. ‡‡ London Listing. † Effective issue price after scrip. ‡ Formerly dealt in under special rule. ♦ Merger bid or reorganisation in progress.

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Jan 10	Jan 21	April 21	May 3
Jan 24	Feb 4	May 5	May 16
Feb 7	Feb 18	May 19	May 31

For rate indications see end of Share Information Service

Stocks favoured for the call included Hampton Trust, Erskine House, Phicom, Lasmo, Albert Fisher, Hawkins and Tipson, Habit Precision Engineering, Polly Peck, Davy, Vickers, Foseco Minsep, London and Liverpool, London Investment Trust, Hawley, Leisuretime, Comet, Moben, Bellair and Immediate Business Systems. Puts were done in Jenks and Cattell and Commercial Union, while doubles were arranged in Polly Peck, First National Finance, Barratt Developments, Renold, Davy, William Leech, Carr Boyd and KCA International.

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List

Stock	No. of changes	Wed. close	Day's change
Racal	33	485	—62
BAT Inds	23	689	+24
Lon & Liv Tst	22	408	+38
GEC	17	204	—
ICI	17	378	+8
Mellins	17	164	+12
Tate and Lyle	16	254	+22
Amstrad	15	365	+40
Marks & Spen	15	208	+5
Beecham	14	356	+8
Combined Tech	14	67	+6
Doornfontein	13	395	+20
Scott & Rbrtsn	13	39½	+½
Vaal Reefs	13	£74⅛	+¾

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BAT Inds	704	+15
Davy Corp	59	—21
Dixons Group	226	+10
Driefontein	£24	—
Eurotherm	540	—25
Fidelity Radio	123	+11
Heath (C.E.)	337	+10
Ladbroke	175	+13
Lon & Liv Tst	470	+62
Meyer Int	120	+5
Ultramar	575	+17
West Rand Cons	487	+73

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	38	16	44
Corpns. Dom. and Foreign Bonds	11	6	59
Industrials	333	195	795
Financial and Props.	174	68	272
Oils	21	26	62
Plantations	6	3	13
Mines	19	75	55
Others	28	83	50
Totals	630	472	1,350

NEW HIGHS AND LOWS FOR 1982/3

NEW HIGHS (182)

BRITISH FUNDS (1)
CANADIANS (1)
BANKS (3)
BREWERS (2)
BUILDINGS (8)
CHEMICALS (6)
DRAPERY AND STORES (5)
ELECTRICALS (8)
ENGINEERING (4)
FOODS (2)
HOTELS (2)
INDUSTRIALS (21)
INSURANCE (4)
LEISURE (1)
MOTORS (5)
NEWSPAPERS (1)
PAPER (1)
PROPERTY (4)
SOUTH AFRICANS (2)
TEXTILES (4)
TOBACCOS (1)
TRUSTS (79)
OIL AND GAS (1)
OVERSEAS TRADERS (1)
PLANTATIONS (2)
MINES (13)

NEW LOWS (4)

ENGINEERING (1)
Davy Corp.
INDUSTRIALS (2)
Magnolia Group   Spear (J. W.)
OILS (1)
Falmouth Pet.

aac Transvaal

Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa

Reports of the Directors for the quarter ended December 31st 1982.

WESTERN DEEP LEVELS

Western Deep Levels Limited

ISSUED CAPITAL: 25 550 000 shares of R2 each

	Quarter ended Dec. 1982	Quarter ended Sept. 1982	Year ended Dec. 1982
OPERATING RESULTS			
GOLD			
Area mined—m² 000	205	208	774
Tons milled—000	853	905	3 499
Yield—g/t	11.53	11.72	11.28
Production—kg	9 832	10 608	39 476
Cost—R/m² mined	275.66	265.50	282.56
—R/ton milled	66.15	61.04	62.47
—R/kg produced	5 738	5 207	5 537
URANIUM OXIDE			
Tons treated—000	548	530	2 272
Yield—kg/t	0.09	0.08	0.08
Production—kg	51 497	42 702	183 394
PRICE RECEIVED ON SALES			
Gold—R/kg	15 306	13 741	13 174
—$/oz	419	371	374
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	153 453	149 583	522 828
—costs	56 428	55 238	218 596
—profit	97 025	94 345	304 232
Uranium oxide profit	495	263	2 214
Net sundry (expenditure)—income	(484)	1 143	6 671
Profit before taxation and State's share of profit	97 036	95 751	313 117
Provision for taxation and State's share of profit	39 559	33 866	108 601
Profit after taxation and State's share of profit	57 477	61 885	204 516
Deduct:			
Appropriation for capital expenditure			104 347
Final portion of dividend on "C" ordinary shares			123
Dividend—interim			34 493
—final			66 430
Transfer from reserve			877
Capital expenditure	31 680	34 953	122 955
SHAFT SINKING (pre-sinking)			
No. 1 main shaft			
Advance—metres	268	449	1 003
Depth to date—metres	1 048	780	1 048
No. 1 service shaft			
Advance—metres	—	93	737
Depth to date—metres	970	970	970

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Carbon Leader							
Quarter ended December 1982	7 508	60	12.3	136.02	1 673	1.08	13.28
Quarter ended September 1982	8 567	38	24.6	111.02	2 731	0.99	24.32
Year ended December 1982	31 364	266	27.7	69.39	1 922	0.57	15.80
V.C.R.							
Quarter ended December 1982	2 274	62	43.0	4.14	178	—	—
Quarter ended September 1982	2 433	44	129.7	5.51	715	—	—
Year ended December 1982	10 656	300	62.3	8.04	501	—	—

ORE RESERVES
(See note 1)

	Based on gold price per Kg	Tons 000	Stope width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Carbon Leader							
July 31 1982	R10 000	3 018	100.0	23.68	2 368	0.22	22.39
	R12 000	3 065	100.0	23.44	2 344	0.22	22.27
	R15 000	3 184	100.0	22.81	2 281	0.22	21.78
	R17 000	3 186	100.0	22.80	2 280	0.22	21.77
July 31 1981	R12 000	3 022	100.5	24.03	2 415	0.24	24.41
V.C.R.							
July 31 1982	R10 000	2 407	135.2	14.25	1 927	—	—
	R12 000	2 741	133.4	13.37	1 783	—	—
	R15 000	3 057	131.4	12.55	1 649	—	—
	R17 000	3 281	132.4	12.02	1 591	—	—
July 31 1981	R12 000	2 949	136.8	11.94	1 634	—	—

DIVIDENDS

Details of the dividends declared in respect of the year ended December 31 1982 are as follows:

	Dividend No. 41 (Interim)	Dividend No. 42 (Final)
Declared	July 22 1982	January 20 1983
Per share	135 cents	260 cents
Payable to members registered	August 13 1982	February 18 1983
Payment date	September 10 1982	March 18 1983

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at December 31 1982 totalled R34 540 000.

TEMPORARY SUSPENSION OF SINKING OPERATIONS AT NO. 1 SERVICE SHAFT

Cementation and re-equipping has been completed and shaft sinking re-commenced on January 17 1983.

APPROPRIATION FOR CAPITAL EXPENDITURE

Due to the increased surcharge on taxation introduced in 1982, the debenture funds of R120 million raised during 1981 and 1982 will now finance a larger proportion of the after-tax cost of the No. 1 shaft. Therefore, it has been decided that the entire after-tax cost of 1982 expenditure on this project will be financed from this source.

For and on behalf of the board
G. LANGTON; W. R. LAWRIE — Directors

January 21 1983

S.A. LAND

The South African Land & Exploration Company Limited

ISSUED CAPITAL: 9 182 700 shares of 35 cents each

	Quarter ended Dec. 1982	Quarter ended Sept. 1982	Year ended Dec. 1982
OPERATING RESULTS			
GOLD			
Tons milled—000	545	531	2 069
Yield—g/t	0.78	0.81	0.85
Production—kg	423	431	1 752
Production cost—R/ton milled	3.89	3.95	3.88
—R/kg produced	5 014	4 868	4 577
PRICE RECEIVED ON SALES			
Gold—R/kg	15 328	13 450	13 062
—$/oz	422	366	372
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	6 453	6 502	23 122
production costs	2 121	2 098	8 019
	4 332	4 404	15 103
Less delivered cost of dump material	3 536	3 367	11 788
Gold profit	796	1 037	3 315
Sale of salvaged equipment and scrap	10	15	34
Net sundry revenue	646	773	2 768
Profit before taxation	1 452	1 825	6 117
Taxation—estimated	(371)	505	134
Profit after taxation	1 823	1 320	5 983
Deduct: Dividend—interim			3 214
—final			3 673
Transfer from reserve			904
Capital expenditure	2 251	613	5 830

DIVIDENDS

Details of the dividends declared in respect of the year ended December 31 1982 are follows:

	Dividend No. 82 (Interim)	Dividend No. 83 (Final)
Declared	July 22 1982	January 20 1983
Per share	35 cents	40 cents
Payable to members registered	August 13 1982	February 18 1983
Payment date	September 10 1982	March 18 1983

CAPITAL EXPENDITURE COMMITMENTS

DE-WATERING OF VAN DYK NO. 5 SHAFT

Orders placed and outstanding on capital contracts as at December 31 1982 totalled R91 000.

In view of the current higher gold price it has been decided to recommence the de-watering of the Van Dyk No. 5 shaft.

For and on behalf of the board
N. F. OPPENHEIMER; W. R. LAWRIE — Directors

January 21 1983

ERGO

East Rand Gold and Uranium Company Limited

ISSUED CAPITAL: 41 000 000 shares of 50 cents each

	Quarter ended Dec. 1982	Quarter ended Sept. 1982	9 months ended Dec. 1982
OPERATING RESULTS			
Slimes treated—tons	4 833 000	4 663 000	14 345 000
Total production			
Uranium oxide—kg	69 034	63 [illegible]86	197 108
Sulphuric acid—tons	126 679	109 568	344 [illegible]15
Oleum—tons	7 072	7 416	19 656
Gold—kg	1 484	1 431	4 413
Treatment of pyrite purchased—tons		493	1 629
Production (included in the above figures)			
gold—kg	—	6	17
sulphuric acid—tons	—	389	1 454
Sulphuric acid purchased—tons	—	9 366	18 835
PRICE RECEIVED ON SALES			
Gold—R/kg	15 322	13 883	13 550
—$/oz	422	377	377
FINANCIAL RESULTS	R000	R000	R000
Revenue—Gold and silver	22 543	20 060	60 289
—Uranium oxide and sulphuric acid	8 812	11 700	27 690
Total revenue	31 355	31 760	87 979
Cost of sales	11 815	12 957	36 037
Operating profits	19 540	18 803	51 942
Net sundry income	666	458	2 052
Profit before taxation	20 206	19 261	53 994
Provision for taxation	6 614	(1 055)	7 266
Profit after taxation	13 592	20 316	46 728
Deduct:			
Appropriation for the first six months—capital expenditure			21 119
Dividend—interim			11 275
Retained profit for the nine months			14 334
CAPITAL EXPENDITURE			
Ergo	3 425	7 288	14 082
Simmer and Jack (Simmergo) project	4 881	10 158	21 394

DIVIDEND

The interim dividend of 27.5 cents a share in respect of the year ending March 31 1983 was declared on October 21 1982, payable to members registered on November 12 1982 and was paid on December 10 1982.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at December 31 1982 totalled R9 856 000 which includes an amount of R2 376 000 for the Simmergo project.

SIMMERGO

Work on the treatment plant and underground remains on schedule and plant commissioning is in progress.

For and on behalf of the board
G. LANGTON; W. R. LAWRIE — Directors

January 21 1983

ELANDSRAND

Elandsrand Gold Mining Company Limited

ISSUED CAPITAL 96 619 825 shares of 20 cents each

	Quarter ended Dec. 1982	Quarter ended Sept. 1982	Year ended Dec. 1982
OPERATING RESULTS			
GOLD			
Area mined—m² 000	72	79	292
Tons milled—000	405	412	1 531
Yield—g/t	6.29	5.80	5.32
Production—kg	2 546	2 390	8 138
Cost—R/m² mined	258.18	23[illegible]	247.03
—R/ton milled	45.90	45.68	47.11
—R/kg produced	7 301	7 875	8 864
PRICE RECEIVED ON SALES			
Gold—R/kg	15 322	13 996	13 612
—$/oz	431	380	383
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	39 257	35 927	111 485
—costs	18 589	18 821	72 133
—profit	20 668	17 106	39 352
Net sundry income	2 922	2 236	8 725
Profit	23 590	19 342	48 077
Deduct:			
Appropriation for Capital expenditure			33 000
Dividend			14 493
Retained profit for the year			584
Capital expenditure	9 341	6 725	25 762
SHAFT SINKING			
Sub-vertical rock/ventilation shaft			
Headgear portion completed—120 metres			
Advance (below collar)—metres	95	96	350
Depth to date—metres	552	457	552

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t
V.C.R.					
Quarter ended December 1982	7 909	1 332	69.8	16.33	1 140
Quarter ended September 1982	8 278	1 242	73.6	17.51	1 289
Year ended December 1982	32 137	5 240	80.4	14.79	1 189

ORE RESERVES
(See Note 1)

	Based on gold price per kilogram	Tons 000	Stope width cm	Gold g/t	Gold cm.g/t
July 31 1982	R10 000	1 218	120.1	9.68	1 162
	R12 000	1 376	119.3	9.12	1 088
	R15 000	1 743	121.4	8.07	980
	R17 000	1 895	124.4	7.68	955
July 31 1981	R12 000	854	110.4	7.68	848

DIVIDEND

The maiden dividend of 15 cents a share in respect of the year ended December 31 1982 was declared on January 20 1983, payable to members registered on February 18 1983 and will be paid on or about March 18 1983.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at December 31 1982 totalled R 2 864 000.

For and on behalf of the board
N. F. OPPENHEIMER; W. R. LAWRIE — Directors

January 21 1983

VAAL REEFS

Vaal Reefs Exploration and Mining Company Limited

ISSUED CAPITAL: 19 000 000 shares of 50 cents each

	Quarter ended Dec. 1982 R000	Quarter ended Sept. 1982 R000	Year ended Dec. 1982 R000
OPERATING RESULTS			
GOLD			
Totals			
Area mined—m² 000	501	534	1 970
Tons milled—000	2 287	2 288	9 205
Yield—g/t	8.44	9.22	8.56
Production—kg	19 313	21 091	78 750
Cost—Complex			
—R/m² mined	243.51	212.89	222.81
—R/ton milled	53.34	[illegible]9.68	47.68
—R/kg produced	6 317	5 389	5 574
North Lease area			
Area mined—m² 000	348	379	1 379
Tons milled 000	1 516	1 503	6 205
Yield—g/t	6.60	7.32	7.04
Production—kg	10 008	11 004	43 689
Cost—R/m² mined	225.80	204.09	211.01
—R/ton milled	51.83	51.46	46.89
—R/kg produced	7 852	7 029	6 650
South Lease area			
Area mined—m² 000	150	155	588
Tons milled—000	765	785	2 994
Yield—g/t	12.15	12.85	11.71
Production—kg	9 294	10 087	35 050
Cost—R m² mined	288.96	234.26	251.49
—R/ton milled	56.66	46.26	49.39
—R/kg produced	4 664	3 600	4 219
AFRIKANDER LEASE AREA			
Area mined—m² 000	3	—	3
Tons milled—000	6	—	6
Yield—g/t	1.83	—	1.83
Production—kg	11	—	11
Cost—R m² mined	25.00	—	25.00
—R/ton milled	12.50	—	12.50
—R kg produced	6 818	—	6 818
URANIUM OXIDE			
Totals			
Tons treated—000	2 130	2 129	8 100
Yield—kg/t	0.21	0.23	0.21
Production—kg	450 751	481 502	1 721 782
North Lease area			
Tons treated—000	1 263	1 373	5 404
Yield—kg/t	0.18	0.19	0.19
Production—kg	225 814	264 139	1 025 946
South Lease area			
Tons treated—000	867	756	2 696
Yield—kg/t	0.26	0.29	0.26
Production—kg	224 937	217 363	695 836
PRICE RECEIVED ON GOLD SALES			
Total			
—R/kg	15 283	14 001	13 036
—$/oz	416	383	371
FINANCIAL RESULTS			
Total			
Gold—revenue	302 673	287 563	1 031 178
—costs	121 997	113 661	438 931
—profit	180 676	17[illegible]	592 247
Uranium oxide profit	14 345	9 528	30 290
Tribute profit	10 516	7 440	28 129
Net sundry income	7 713	5 191	24 167
Dividend from Southvaal Holdings Limited			
—interim declared July 1982	—	—	7 800
—final declared January 1983	13 650	—	13 650
Deduct:			
Royalties to:	226 900	190 161	696 283
Southvaal Holdings Limited	49 337	54 838	157 029
The Afrikander Lease Limited	24	32	81
Profit before taxation and State's share of profit	177 539	141 291	539 173
Provision for taxation and State's share of profit	67 721	69 520	231 738
Profit after taxation and State's share of profit	109 818	71 771	307 435
Deduct:			
Appropriation for capital expenditure			130 800
Dividend—interim			66 500
—final			114 000
—transfer from General Reserve			2 600
Transfer from reserve			1 265
Capital expenditure	49 103	25 476	129 694
Consolidated Profit:			
Consolidated profit, after providing for taxation and state's share of profit, of the company and its wholly-owned subsidiary Western Reefs Exploration and Development Company Limited	109 854	71 782	307 557

VAAL REEFS—*continued*

	Quarter ended Dec. 1982 R000	Quarter ended Sept. 1982 R000	Year ended Dec. 1982 R000
North Lease area			
Gold—revenue	156 635	149 010	566 196
—costs	78 578	77 350	290 977
—profit	78 057	71 660	275 219
Uranium oxide profit	6 955	4 748	14 876
Tribute profit	5 003	3 077	11 73[illegible]
	90 015	79 485	301 831
Capital expenditure	20 997	12 [illegible]07	[illegible]0 294
South Lease area			
Gold—revenue	145 869	138 653	464 813
—costs	43 344	36 311	147 879
—profit	102 525	102 342	316 934
Uranium oxide profit	7 601	4 779	15 624
Tribute profit	5 513	4 363	16 393
	115 639	111 484	348 951
Deduct:			
Capital expenditure	24 434	10 344	57 356
Repayment of loan and interest to Southvaal Holdings Limited	243	243	973
Repayment of consumer loan	1 260	1 190	5 115
Surplus subject to royalty	89 702	99 707	285 507
Royalty to Southvaal Holdings Limited (55% of surplus)	49 337	54 838	157 029
Capital expenditure	24 434	10 344	57 356
Afrikander Lease area			
Gold Section			
Gold—revenue	169	—	169
—cost	75	—	75
—profit	94	—	94
Deduct capital recoupment	94	—	94
Available for royalty	—	—	—
Royalty to The Afrikander Lease Limited (minimum)	12	19	31
Capital expenditure	1 521	466	1 987
Uranium Section			
Uranium Oxide Profit (loss)	(211)	1	(210)
Royalty to The Afrikander Lease Limited (minimum)	12	13	50
Capital expenditure	2 151	1 979	10 057

NOTE Ore milled includes on-reef development tonnage obtained from capital development. As such working costs for the quarter are not representative.

	Quarter ended Dec. 1982	Quarter ended Sept. 1982	Year ended Dec. 1982
SHAFT SINKING			
(South Lease area)			
No. 9 main shaft			
Advance—metres	—	—	—
Depth to date—metres	2 342	2 342	2 342
Station cutting—metres	373	147	563
No. 9 ventilation shaft			
Advance—metres	—	—	85
Depth to date—metres	2 339	2 339	2 339
Station cutting—metres	1 020	546	2 160
(Afrikander Lease area)			
No. 1 incline shaft			
Advance—metres (shaft deepening)	—	64	228
Depth to date—metres	1 101	1 101	1 101

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
North Lease area							
Vaal reef							
Quarter ended December 1982	16 319	1 414	55.5	29.53	1 639	0.77	42.89
Quarter ended September 1982	17 808	1 926	45.4	37.14	1 686	1.05	47.85
Year ended December 1982	66 049	6 486	49.8	35.86	1 786	1.05	52.22
V.C.R.							
Quarter ended December 1982	213	—	—	—	—	—	—
Quarter ended September 1982	385	—	—	—	—	—	—
Year ended December 1982	2 339	152	221.2	2.02	447	0.03	5.60
South Lease area							
Vaal reef							
Quarter ended December 1982	10 199	742	93.8	22.55	2 115	0.79	74.42
Quarter ended September 1982	9 529	888	78.7	29.71	2 338	1.09	85.88
Year ended December 1982	39 114	3 028	87.1	22.93	1 997	0.84	73.31
"C" reef							
Quarter ended December 1982	356	94	12.4	81.21	1 007	2.51	31.09
Quarter ended September 1982	322	30	21.8	260.64	5 682	7.52	163.86
Year ended December 1982	1 340	146	14.5	139.86	2 028	4.01	58.17
Jeppestown Rietkuil No. 5 reef (Gold Section)							
Quarter ended December 1982	633	18	98.4	3.58	352	0.07	7.16
Quarter ended September 1982	382	30	214.7	1.17	251	0.03	6.58
Year ended December 1982	1 015	48	171.1	1.69	289	0.04	6.80
Totals							
Vaal reef (excluding tribute areas)							
Quarter ended December 1982	26 518	2 156	68.7	26.24	1 803	0.78	53.74
Quarter ended September 1982	27 337	2 814	55.9	33.85	1 892	1.07	59.85
Year ended December 1982	105 163	9 514	61.7	30.03	1 853	0.96	58.93

Afrikander Lease area
In the Afrikander Lease area no metres were developed during the quarter on the Dominion reef. A total of 699 metres was developed during the year.

ORE RESERVES
(See Note 1)

Totals	Based on gold price per Kg	Tons 000	Stope width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Vaal and "C" reef							
July 31 1982	R10 000	24 718	117.8	13.50	1 590	0.42	50.06
	R12 000	25 895	117.3	13.14	1 541	0.42	48.82
	R15 000	27 072	116.9	12.76	1 492	0.41	47.64
	R17 000	27 674	116.5	12.58	1 466	0.40	46.95
July 31 1981	R12 000	25 487	117.3	13.43	1 575	0.41	48.29
V.C.R. and Elsburg reef							
July 31 1982	R10 000	2 188	111.3	5.75	640	0.11	12.21
	R12 000	4 123	115.4	4.94	570	0.11	12.16
	R15 000	6 933	116.8	4.30	502	0.11	12.50
	R17 000	8 253	118.1	4.05	478	0.11	12.63
July 31 1981	R12 000	4 263	130.3	4.29	559	0.10	13.36
Dominion reef (Afrikander Lease area)							
July 31 1982	R10 000	81	105.9	1.04	110	1.45	153.53
	R12 000	83	106.2	1.04	110	1.44	152.69
	R15 000	87	106.1	0.99	105	1.42	150.28
	R17 000	87	106.1	0.99	105	1.42	150.28
July 31 1981	R12 000	67	105.6	1.12	118	1.54	162.71
South Lease area (included in above figures) Vaal and C reef							
July 31 1982	R10 000	8 858	138.3	14.40	1 992	0.49	67.84
	R12 000	9 026	138.7	14.24	1 975	0.49	67.56
	R15 000	9 225	138.5	14.00	1 939	0.48	66.83
	R17 000	9 228	138.5	14.00	1 939	0.48	66.83
July 31 1981	R12 000	8 966	137.0	15.23	2 087	0.49	67.20

DIVIDENDS

Details of the dividends declared in respect of the year ended December 31 1982 are as follows:

	Dividend No. 52 (Interim)	Dividend No. 53 (Final)
Declared	July 22 1982	January 20 1983
Per share	350 cents	600 cents
Payable to members registered	August 13 1982	February 18 1983
Payment date	September 10 1982	March 18 1983

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at December 31 1982 totalled R22 715 962.

For and on behalf of the board
D. A. ETHEREDGE; W. R. LAWRIE — Directors

January 21 1983

SOUTHVAAL HOLDINGS LIMITED and THE AFRIKANDER LEASE LIMITED

The attention of shareholders of these companies is directed to the report of Vaal Reefs Exploration and Mining Company Limited.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTES:

1. ORE RESERVES
At July 31 1982 ore reserves were estimated at a pay limit based on a gold price of R12 000 (1981: R12 000) a kilogram. Also shown at that date are ore reserve tonnages estimated at pay limits based on gold prices of R10 000, R15 000 and R17 000 a kilogram to indicate the sensitivity of the ore reserves to the gold price variations.
2. DIVIDENDS
Attention is directed to an announcement published in conjunction herewith, relating to the declaration on Thursday, January 20 1983, of final dividends for the year ended December 31 1982.
3. DEVELOPMENT
Development values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating ore reserves.
4. FORWARD SALES OF GOLD
The companies have entered into contracts for the forward sale of limited quantities of gold. Some of these contracts matured during the quarter and the consequent slight reduction in gold revenue has been taken into account in the prices received on gold sales reported above.
No further forward sales have been entered into since September 1982, and most of the remaining contracts will be closed during the first quarter of 1983.

The Orange Free State Group's results appear on another page in this newspaper.

Copies of these reports will be available on request from the offices of the Transfer Secretaries.

Charter Consolidated P.L.C., PO Box 102, Charter House Park Street, Ashford, Kent, TN24 8EQ.

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INTERNATIONAL CAPITAL MARKETS

A 129 PER CENT INCREASE IN LOANS

Record U.S. Eurobond borrowing

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

U.S. CORPORATIONS raised a record $15.1bn on international bond markets last year, a 129 per cent increase on their $6.6bn borrowing in 1981, according to figures compiled by *Salomon Brothers, the U.S. investment house.*

By far the largest part of the increase was accounted for by a massive gain in their issue of Eurodollar bonds. These rose to $12.8bn from $5.8bn as yields on the Euromarket fell below those prevailing on the domestic bond market in New York.

But U.S. corporations also stepped up their borrowing in other bond markets, including the Swiss franc market where their borrowing rose to the equivalent of $1.38bn from $648m and the D-Mark sector with an increase to $553m from $32m.

Overall, the Salomon figures show that record primary market business was not just confined to the dollar sector of international bond markets. As interest rates fell around the world the foreign Swiss franc bond market absorbed its highest ever amount of new paper with $10.8bn compared with the previous record of $9.8bn set in 1979.

This made the Swiss franc the second most important currency for the international bond market last year. Its share of new business was 15.2 per cent, compared with 64 per cent for new inernational bonds denominated in dollars.

New issues of Canadian dollar bonds at $1.2bn were also the highest ever as the strength of the Canadian currency against the yen and European currencies prompted heavy demand for such paper, paricularly in the first half of the year. In the Samurai bond market new issue volume rose 20 per cent to an equivalent of $3.1bn.

LEADING ISSUERS OF INTERNATIONAL BONDS (total raised $m)

1982		1981		1980	
1 World Bank	5,779	World Bank	3,852	Sweden	2,632
2 EIB	1,873	EIB	1,472	EIB	2,436
3 Sweden	1,452	Hydro-Quebec	1,308	World Bank	2,266
4 Hydro-Quebec	1,160	B.C. Hydro	1,050	Citicorp	901
5 Australia	1,148	Citicorp	792	Hydro-Quebec	900
6 IADB	1,019	GMAC	765	Denmark	785
7 Canada	1,009	OKB	699	OKB	719
8 GMAC	932	Sweden	669	ECSC	715
9 New Zealand	871	IADB	609	ENEL	700
10 Credit Lyonnais	760	Ontario	550	EDF	583
11 EDC (Canada)	725	IBM	522	EDC	522
12 Deutsche Bank	710	Nat.Railways	517	GM/GMAC	443
13 Ontario-Hydro	700	Ireland	515	Ford	400
14 Ontario	700	Australia	509	Austria	374
15 ADB	670	ADB	502	Australia	338

Source: Salomon Brothers

Among other major sectors D-Mark issues saw a marked recovery with total new issue volume accounting for $5.3bn compared with $2.5bn in 1981. This did not, however, match the peak of $6.7bn achieved in 1980.

As already reported Salomon's statistics show that total new issuance in international bond markets climbed more than 50 per cent last year to a record $71bn, but its more detailed figures, published today, show that this was not a one-way movement in every single sector.

In particular new issues of Yankee bonds (foreign bonds placed in the U.S. market) slipped to $6.4bn from $7.2bn as these became relatively more expensive to borrowers than Eurodollar issues. Salomon has already recorded that Yankee issues offered a total return to investors of just over 40 per cent last year, the highest for any type of international security.

WEEKLY U.S. BOND YIELDS (%)

	Jan 19	Jan 12	1982-83 High	1982-83 Low
Composite Corp. AAA	11.27	11.18	15.18	10.33
Composite Corp. AA	11.55	11.51	15.63	11.18
Government:				
Long-term	10.60	10.41	14.32	10.18
Intermediate	9.96	9.95	14.56	9.91
Short-term	9.23	9.27	14.57	9.23
Municipal	N/A	9.28	13.34	9.16
Industrials AAA	11.04	10.89	14.76	10.55
Industrials AA	11.43	11.34	15.13	10.46
Utilities AAA	11.50	11.48	15.59	11.11
Utilities AA	11.67	11.67	16.13	11.39
Preferred Stocks	11.18	11.16	13.35	10.71

Source: Standard & Poor's

New issuance of international bonds in sterling was also a record at $1.9bn, but here again the gains were confined to the Eurosterling market which absorbed $788m equivalent of new paper compared with $276m in 1981, while issues of "bulldog" bonds in the domestic market fell slightly to $1.09bn from $1.15bn.

Among individual issuers the World Bank retained its position as the largest single borrower in international bond markets. In 1982 three new borrowers – Credit Lyonnais, Deutsche Bank and Ontario Hydro were counted among the top 15 borrowers for the first time.

By group, Canadian borrowers were also highly active, issuing a record $11.5bn in new international bonds compared with $10.5bn in 1981. At this level their borrowing was still slightly higher than that of supranational organisations which raised $11.1bn.

French borrowers more than doubled their borrowing in bond markets last year to $7.6bn, including a record $4.1bn in floating-rate notes. This reflected heavy borrowing by the French Government on the domestic market which crowded out other borrowers and the desire of the French Government to shore up the franc.

Salomon Brothers notes that new record coupons were set in most sectors of the international bond market last year, but the lowest coupons seen in 1982 were also much lower than the lows of 1981 as interest rates fell in the second half.

In most currency sectors there was also a shift in the maturity of new issues towards the medium term (6-10 years) from both the short and long end of the maturity spectrum.

Williams and Glyn's in $100m bond

By Alan Friedman in London

WILLIAMS AND GLYN'S bank, the smallest of the major UK clearing banks, yesterday launched a $100m 10-year Eurodollar bond into a market still reeling from the weight of nearly $6bn of new dollar issues which have been offered in the past three weeks.

The coupon is 11 per cent at par and only 30 per cent of the purchase price is payable now; the balance is due in June. Hill Samuel is lead-managing the deal, which involves an interest rate swap transaction whereby a counterparty will pay the fixed rate coupon, while Williams and Glyn's will obtain floating rate debt at a rate below the *London interbank offered rate* (Libor).

The issue was not well received *initially*, largely *because of the sizeable* burden of new issues and investor apathy to new deals which *provide lower yields than seasoned* bonds in the secondary market.

At Williams and Glyn's, an executive *director admitted that the* timing of the issue was related to the interest rate swap counterparty: "One has to do these things when all the skittles are set up in a row. We were a bit unlucky to have all the skittles set up just at a time when the market is in a state." After a drop of nearly one point in Eurodollar bond prices on Wednesday, the market saw prices marked down a further ¼ to ½ point yesterday. *New issues such as Texaco's* 9¾ per cent bond were hardly selling, and changed hands only at a large *discount of 3½ per cent from* an issue price of 99¾.

A large number of new issues are *suffering: the recent I.C. Industries* 12 per cent bonds were at a 3 per cent discount last night, the *new* 9¾ per cent General Electric *bonds* at a 3 per cent discount, while the new BASF 9⅞ per cent bonds were trading as low as 96, a 4 per cent discount from par.

Yet new issues are still coming thick and fast. The Industrial Bank of Japan (IBJ) is out with a $100m seven-year 10⅞ per cent issue priced at 99⅞ to yield 10.92 per cent. IBJ and Morgan Stanley are lead-managing this deal and a co-manager admitted last night that the timing was "not appropriate."

Hoechst, the West German chemicals group, is raising $90m through a 10-year Eurobond with detachable warrants to purchase equity. Dresdner Bank *is lead-managing* the 8 per cent issue.

In West Germany, Euro D-Mark *bond prices were down by ¼ to ½* point last night as the market reacted to a strong dollar, uncertainty about the forthcoming elections and interest rates.

A DM 150m seven-year issue is out for Nippon Steel. Deutsche Bank is leading the 6¾ per cent deal, which is priced at 99 and was last night being quoted at a discount of 1¼ per cent.

In Switzerland, foreign bond prices closed slightly down as the market followed the New York bond market and the soggy Eurodollar market. The new 4 per cent IBM placement was going well yesterday and strong demand was reported despite the low coupon.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete *list of Eurobond prices published on the second Monday* of each month. The following are closing prices for January 20.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aetna Life 15 86/97	150	110	110½	-0⅛	-0⅝	11.81
Amex O/S Fin 14⅛ 89	75	109½	110	-0⅛	+0⅞	11.91
Amro Bank 13 89	200	106	106½	-0¼	-0⅝	11.39
BHP Finance 14¾ 89	150	107¾	108¼	-0½	-0¾	12.78
Bk Montreal 14½ 87	100	109¼	109¾	-0⅛	+0⅝	11.83
British Col Hyd 14⅞ 89	200	111⅞	112⅜	+0⅛	+0¼	11.67
British Col Hyd 15¼ 92	150	115¾	116¼	-0¼	-0½	12.26
Canada 14⅜ 87	750	110¼	110¾	-0⅛	-0⅜	11.17
Canadair Ltd 12½ 89	175	104⅞	105⅜	-0¼	-0¼	11.38
Canadian Wheat 11⅛ 90	50	98⅞	99⅜	-0¼	-0½	11.41
Can Pac Ltd 14⅝ 92	75	109½	110	-0⅜	+0⅛	12.92
Can Pac Sec 15 89	75	107⅞	108⅜	+0⅜	+0½	13.06
Citicorp O/S 16 84/92	100	105	105½	-0¼	-0½	10.15
Coca Cola Int 11¾ 89	100	106⅞	107⅛	-0⅜	-0¼	10.28
Credit Suisse 10½ 89	100	100⅝	101⅛	-0¼	-1	10.31
Deutsche Bk Fin 14⅛ 89	300	110	110½	-0¼	-0¼	11.37
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	Issued	Bid	Offer	Change on day	Change on week	Yield
New Zealand 8⅝ 87	15†	107	108	+0⅛	+1	6.53
World Bank 8⅛ 92	20†	105¾	106¼	-0⅛	-0⅝	7.44

Av. price changes: on day -⅛, on week -⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit Col Tel 17¼ 88 C$	50†	113½	114	0	0	13.93
Can Utilities 17 87 C$	35†	114	114½	+0⅛	+2¾	12.83
Gaz de France 15 89 C$	75†	107½	108	0	+1⅛	13.17
Gaz Metro 17¼ 90 C$	20†	109½	110½	0	+0½	14.93
O.K.B. 16⅛ 88 C$	63†	114	114½	+1	+2¼	12.42
Quebec Hydro 14 92 C$	60†	107½	108	0	0	12.56
Univ Quebec 16⅝ 87 C$	17†	106	106½	0	+2	14.53
E.I.B. 12⅞ 90 Ecu	80	106	107	-0⅝	+0¼	11.54
Amfas 9½ 87 Fl	60	106	105½	-0⅛	-1	8.14
Amro Bank 9½ 87 Fl	100	106⅝	107⅛	-0¼	-0¾	7.72
Neder Middk 9¼ 87 Fl	100	105	105½	-0¼	-1⅛	7.91
Nedlloyd Grp 10¼ 87 Fl	75	106	106½	-0½	-2	8.68
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SECTION III CONTENTS

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Friday January 21 1983

France offers chance to young farmers, Page 27

WALL STREET

Oils feature on hopeful Opec signs

HOPES of an Opec agreement to cut oil production spurred heavy early buying of oil stocks on Wall Street yesterday. Their strong performance distinguished them on a colourless day of mixed trading in most other sectors, *writes Duncan Campbell-Smith in New York.*

The Dow Jones industrial average was up nearly six points by midday but then began a steady reversal. By 2pm it was down just one point at 1067.04 on a trading volume approaching 60m shares.

The 10 most active stocks at one stage included no fewer than seven oil companies, after trading in several had been delayed at the opening by the weight of buy orders. Another of the actives was Schlumberger, the oil service company, which was up $2¼ by midsession to $50⅝.

Gains in the oil group, building on earlier strength on Wednesday, were evident both in the major internationals and those primarily dependent on U.S. reserves. At 2pm, Mobil was up $1⅛ to $27⅞, Exxon $¼ to $31, Gulf $2⅜ to $32¾ and Texaco $1 to $32⅝. Among the integrated domestic producers, Standard Oil of Indiana was up $1⅞ to $46⅝, Union Oil of California $1¼ to $33¼ and Phillips Petroleum $1 to $35⅞.

One heavily traded non-oil stock was Citicorp, up $1⅛ to $34⅞ by the early afternoon. Most other major banks were also ahead, recovering some of the ground lost by the sector in earlier sessions this week.

Another corrective move featured the high-technology issues which have been market leaders this year. The group declined for the second consecutive day, with IBM down $1½ to $97 and Digital Equipment $2⅝ to $103⅞.

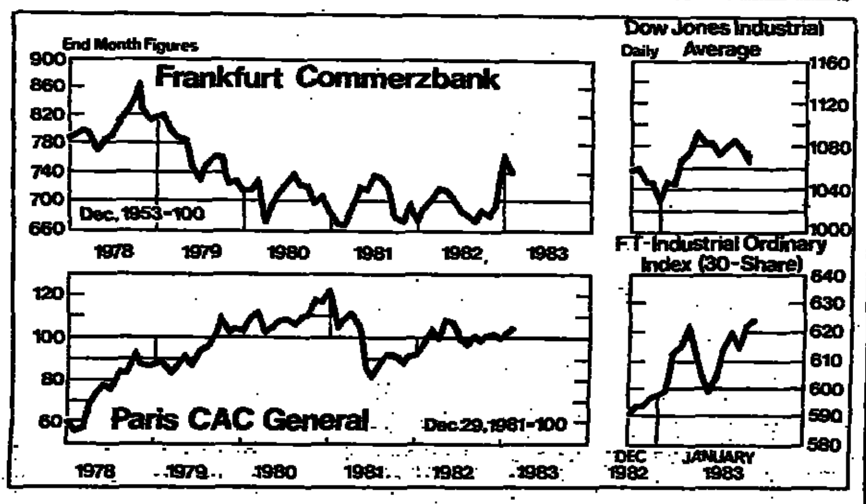
Federal funds recovered their poise after an eventful weekly settlement day on Wednesday. The wire network connecting the banking system to the Chicago Federal Reserve Bank failed in the early afternoon, leaving a number of banks stranded with inadequate reserves. Most finally settled late in the evening. Yesterday Fed funds traded around the 8¼ per cent level.

But dealers in the money markets said the movement of the funds rate had been disquieting in recent days, even ignoring Wednesday's action, and expectations of an imminent discount rate cut were waning. Treasury Bill prices were several basis points lower yesterday, with the three-month bill's discount yield up to 7.76 per cent at midsession and the six-month bill up to 7.86 per cent.

Trading volume was again very low throughout the Government debt market and dealers described the market as very unsure of itself. The new two-year note traded around Wednesday's issuing yield of 9.25 per cent. Prices at the long end were little changed after Wednesday's heavy fall but short to intermediate-term securities fell another eighth to quarter of a point.

A similar trend emerged in Toronto, with oils buoyant but a mixed picture in the rest of the market. Apart from the majors, Canada Northwest Energy and Asamera made substantial advances. Papers, consumer products and metals also improved slightly.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Jan 20	Previous	Year ago
NEW YORK			
DJ Industrials	1067.04*	1068.06	845.89
DJ Transport	456.16*	457.35	347.12
DJ Utilities	125.46*	124.49	104.18
S&P Composite	146.44*	145.27	128.79
LONDON			
FT Ind Ord	624.8	621.6	545.8
FT-A All-share	398.27	395.07	319.39
FT-A 500	434.64	430.84	343.89
FT-A Ind	404.35	401.68	311.42
FT Gold mines	656.3	664.2	266.5
FT Govt secs	78.92	78.90	63.65
TOKYO			
Nikkei-Dow	7,923.31	7,968.68	7,717.23
Tokyo SE	581.84	584.56	571.28
AUSTRALIA			
All Ord.	536.2	538.3	544.4
Metals & Mins.	477.8	480.2	380.2
AUSTRIA			
Credit Aktien	49.48	49.51	54.86
BELGIUM			
Belgian SE	105.06	104.93	86.42
CANADA			
Toronto Composite	2057.3*	2055.1	1777.5
Montreal			
Industrials	356.37*	354.14	306.29
Combined	339.75	338.48	291.87
DENMARK			
Copenhagen SE	104.45	103.62	124.12
FRANCE			
CAC Gen	103.15	102.6	102.60
Ind. Tendance	104.90	102.5	107.9
WEST GERMANY			
FAZ-Aktien	244.92	245.45	220.63
Commerzbank	736.1	739.9	674.0
HONG KONG			
Hang Seng	908.56	908.54	1397.08
ITALY			
Banca Comm.	174.94	174.73	190.93
NETHERLANDS			
ANP-CBS Gen	104.3	104.4	85.9
ANP-CBS Ind	88.8	88.9	66.8
NORWAY			
Oslo SE	115.69	118.70	126.91
SINGAPORE			
Straits Times	766.22	765.53	765.35
SOUTH AFRICA			
Golds	n/a	1073.0	514.3
Industrial		820.7	704.2
SPAIN			
Madrid SE	102.06	101.66	127.62
SWEDEN			
J & P	1002.0	1006.3	650.74
SWITZERLAND			
Swiss Bank	295.7	296.2	256.2

GOLD (per ounce)

	Jan 20	Prev
London	$492.50	$497
Frankfurt	$489.25	$495.50
Zürich	$491.50	$496.50
Paris	$493.25	$497.45
London futures (Feb)	$494.20	$497.10

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR Jan 20	U.S. DOLLAR Previous	STERLING Jan 20	STERLING Previous
£	1.5700	1.5745	–	–
DM	2.4230	2.4125	3.80¼	3.80
Yen	235.25	234.65	369½	369¾
FFr	6.8700	6.8425	10.78½	10.77¼
SwFr	1.9775	1.9740	3.10½	3.11
Guilder	2.6560	2.6450	4.17¼	4.16½
Lira	1393	1387	2186½	2183
BFr	47.40	47.18	74.45	74.30
C$	1.2247½	1.2257½	1.9230	1.9295

INTEREST RATES

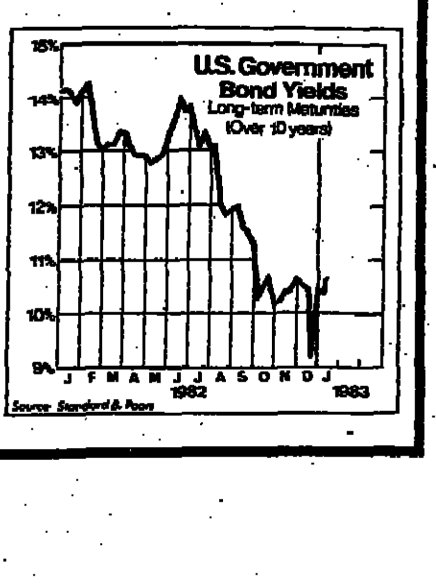
	Jan 20	Prev
Euro-currencies (offered rate)		
£	11⅝₁₆	11⅝
SwFr	2¼	2⅝
DM	5⅝	5½
FFr	20½	20
FT London Interbank fixing (offered rate)		
3-month U.S.$	9	8¹⁵⁄₁₆
6-month U.S.$	9³⁄₁₆	9⅛
U.S. Fed Funds	8¼	8⅛
U.S. 3-month CDs	8.50	8.50
U.S. 3-month T-bills	7.76	7.65

FINANCIAL FUTURES

Jan 20	Latest	High	Low	Prev
CHICAGO				
U.S. Treasury Bonds (CBT) 8% $100,000 32nds of 100%				
March	75–21	75–26	75–14	75–18
U.S. Treasury Bills (IMM) $1m points of 100%				
March	92.30	92.36	92.26	92.35
Cert Deposit (IMM) $1m points of 100%				
March	91.37	91.40	91.33	91.40
LONDON	Latest	High	Low	Prev
Three-month Eurodollar $1m points of 100%				
March	91.05	91.08	90.99	91.15
20-year Notional Gilt £50,000 32nds of 100%				
March	100–23	100–28	100–14	100–18
Three-month Sterling Deposit £250,000 points of 100%				
March	89.54	89.59	89.47	89.57

LONDON COMMODITY MARKETS

	Jan 20	Prev
Silver (spot fixing)	815.15p	834.65p
Copper (March)	£1000.00	£1005.0
Coffee (March)	£1857.50	£1822.5
Oil (spot Arabian light)	$31.25	$30.82



LONDON

Caution is the watchword

THE UNDERLYING tone in London stock markets was extremely cautious yesterday. Most leading equities, however, edged a little higher and government stocks put on another reasonably steady performance in sympathy with a more stable trend in sterling.

Overall trading conditions remained thin, and the Government's changed attitude in ruling out an immediate increase in interest rates as a short-term means of defending any further pressure on the pound failed to clear the current exchange rate uncertainties.

Government stocks continued to fluctuate narrowly, particularly at the long end of the market where quotations finished with falls of ⅛ Short-dated stocks, however, benefited from slightly easier conditions in money markets and showed to advantage with gains extending to ³⁄₁₆. A new Treasury index-linked 2½ per cent issue dated 2016 made a quiet debut.

The overnight setback on Wall Street made for a wary start in the equity leaders, but further selective investment support encouraged a gradual improvement. This was reflected in a progressive firming in the FT Industrial Ordinary index which closed 3.2 higher at the day's best of 624.8.

A placing of around 3.3m Plessey shares through the market at 582p was completed very quickly and had little overall impact, although the market price of Plessey shed 7p to 595p. Electricals otherwise remained subdued by a Racal warning of a slowdown in profits growth.

The oil majors, inclined easier initially on Wall Street influences, steadied as various soothing statements from Opec oil ministers filtered through ahead of Sunday's meeting in Geneva. When signs emerged that Saudi Arabia might accept a further output cut to maintain the $34 a barrel benchmark, quotations took a distinct turn for the better.

British Petroleum ended a net 8p up at 334p after 322p, while Shell closed the same amount dearer at 442p after 432p. Ultramar rose 17p for a gain on the week so far of 57p to 575p.

South African golds gave up more or less all of Wednesday's gains as the pressure on bullion, which had built up in overnight U.S. markets, followed through into London where the price dipped to around $485 at one point before recovering somewhat.

The shares consequently opened sharply lower and tended to mark time throughout the session. Exceptions were West Rand Consolidated, which jumped to 493p before closing a net 73p up at 487p following encouraging results in its December quarter, and several of the mines in the Gold Fields group which continued to attract support from Johannesburg. Libanon moved up £⅝ to attract support from Johannesburg. Libanon moved up £⅝ to a record £25.

Elsewhere, engineerings were featured by a drop of 21p to 59p in Davy Corporation following a contraction in first-half profits, a surprise halving of its interim dividend and a gloomy accompanying statement.

AUSTRALIA

Lower bias

RESOURCES and industrials fell victim to profit-takers in Sydney, although trading activity centred on gold stocks and heavyweight miners which have significant gold interests. These and the broader market drifted lower, but few sharp falls were in evidence.

MIM and Western Mining fell three cents each to A$4.25 and A$4.17 respectively.

The retreat in bullion and metal prices affected resources similarly in Melbourne. Golds held relatively well under selling pressure, but declines overall outnumbered rises for the first time this year. Oils were lightly traded and mainly steady.

SOUTH AFRICA

Losses pared

A PARTIAL late recovery by gold shares occurred in Johannesburg on the back of a bullion price which recouped some earlier losses.

Stock price falls still predominated over gains by about two to one. Among the hardest hit in the heavyweight league was Libanon, off R1.25 to R51 after R50, while in mining financials Anglo-American shed 30 cents to R24.90 ahead of quarterlies for its gold mines.

Platinums also eased but industrials continued very firm.

FAR EAST

No reprieve in sight for Tokyo

A SLIDE in Tokyo share values this week showed no signs of abating yesterday. Interest rate worries emerged afresh to disconcert sentiment already subdued by the yen's weakening against the dollar, high levels of margin debt on the Japanese exchanges, and Wall Street's poor showing.

Investors were responding to reports that an expected cut in the Japanese discount rate might be postponed, at least by a few weeks, in the light of the softer yen. This was given some substance after the close of trading when Mr Haruo Mayekawa, governor of the Bank of Japan, implied at a press conference that he did not view conditions as ripe for a cut.

He said the most important prerequisite was to ensure "that the trend for a strong yen is very firm." He saw no clear-cut reasons for its recent losses but also noted a growing belief that interest rates worldwide might not come down as swiftly as had been expected.

The Nikkei-Dow Jones market average shed a further 45.37 for a three-day decline of nearly 160. Trading was light, however, at 240m shares as many waited for an interest rate pointer from the German Bundesbank.

Prices moved without much conviction through most of the session but started sinking fast towards the close.

Computer makers, cars, precisions, defence-related issues and light electricals led the decline, but domestic industrials were bought selectively.

Sony, which announced a Y30bn, six-year unsecured convertible domestic bond, shed Y90 to Y3,400.

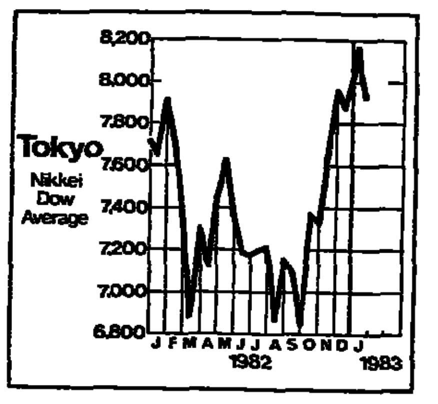
Government bond prices finished lower in thin trading after firming fractionally in the afternoon.

Stocks in Hong Kong struggled to hold their ground amid selling by local investors, continuing overseas buying orders, however, enabled values to emerge slightly higher on the day, building on the rally which has developed this week in the face of the Tokyo trend.

Many brokers still expect a downward correction, and said prices yesterday were guided by technical factors rather than fundamentals. Wall Street's performance continues to be closely watched.

Swire Pacific managed a 30 cent gain to HK$10.90 and Hang Seng Bank improved 75 cents to HK$10.90. The Hang Seng index edged up 2.02 to 908.56, helping consolidate its hold above the difficult 900 mark.

Buying support alternated with profit-taking in Singapore to produce a narrowly mixed result. Properties continued an adjustment to the results of the latest land sale by the Urban Redevelopment Authority.



EUROPE

German rate reaction to come today

OPERATORS on the Frankfurt bourse were unwilling to take up positions ahead of the Bundesbank council meeting yesterday, and shares finished barely steady after a lethargic session.

Investors' suspicions that the central bank would hold off from cutting major interest rates were confirmed, but the news – along with the compromise decision to raise banks' rediscount quotas and thus provide a cheaper source of funding – came just as the day's last deals were being made and stock values could not react.

Banks fared badly, with Commerzbank off DM 1.90 at DM 126.50 and Deutsche Bank DM 3 lower at DM 261. Dresdner held, however, at DM 136.

Public authority bond prices were static on minimal turnover. Dealers pointed to interest rate nervousness reflected in a 20-point rise in yields on long-dated issues in the past week. The Bundesbank was required to buy only DM 5.7m of paper after Wednesday's exceptional DM 107.7m worth.

Belgian and foreign shares moved irregularly lower in moderate Brussels trading. Falls of about 2 per cent each were recorded by Sofina, Clabecq, Mosane and Cometra.

Petrofina eased BFr 15 to BFr 4,630 despite industry reports that it is likely to announce sharply higher earnings for last year. A company official attributed its performance to an ability to "buy oil less expensively than many others are able to do," and admitted surprise that its stock price has languished of late.

A lack of new initiatives in Zurich left prices mixed, with banks a weak feature. One broker attributed this to a recent announcement that the Swiss Banking Commission is to require banks to set aside greater reserves to cover credit risks, therefore dampening hopes of higher dividends.

Industrials were brighter but lacked substantial advances. The Swiss bond market finished a lacklustre day little altered.

A near-doubling in the French trade deficit to FFr 93.3bn last year was in line with expectations on the Paris bourse, where investors confined themselves to adjusting positions ahead of the end of the monthly account, leaving prices slightly firmer.

A discount rate cut did emerge in Stockholm – down a point to 9 per cent effective from today – but Swedish investors appeared largely unimpressed. The market continued a retreat from the high levels reached around New Year, with only the bank shares showing much encouragement.

Late rallies by some Dutch internationals trimmed losses in Amsterdam, KLM was notable for a Fl 4.10 boost to Fl 153.30. Royal Dutch added Fl 2.1 to Fl 100.30.

Thin and nervous trading in Milan left prices mixed to lower. Firmness in commercial banks enabled Madrid to hold at Wednesday's improved levels.

WORLD STOCK MARKETS

NEW YORK

(Closing Prices)

Stock	Jan 20	Vars.
ACF Industries	33¾	-½
AMF	17¼	+⅛
AMR Corp.	19½	-1⅜
ARA	35⅝	+⅛
ASA	75⅞	-1⅛
AVX Corp	24	-½
Abbott Labs	41⅝	+⅜
Acme Cleve	20⅛	-
Adobe Oil Gas	21⅝	+1½
Advanced micro	35½	+⅝
Aetna Life & Cas	35⅝	-⅛
Ahmanson (HF)	26⅝	-1½
Air Prod & Chem	40⅝	-⅛
Albany Intl	32⅛	-1⅛
Alberto-Culv	17½	-½
Albertson's	43⅞	-⅜
Alcan Aluminium	28⅞	+⅜
Alco Standard	27½	-⅛
Alexander & Alex	20⅞	-2⅛
Allegheny Intl	27½	-2
Allied Bancshrs	24⅝	
Allied Corp.	35⅞	+⅛
Allied Stores	36⅝	+⅞
Allis-Chalmers	12⅝	
Alpha Portd	16⅛	
Alcoa	32⅛	-½
Amax	24⅞	+⅛
Amdahl Corp.	32⅞	-⅝
Amerada Hess	27⅞	+1⅛
Am. Brands	47	-½
Am. Broadcasting	52⅞	+1
Am. Can	33½	
Am. Cyanamid	35⅛	-⅛
Am. Elect. Pwr.	19⅛	+⅛
Am. Express	64⅝	-⅛
Am Gen Insnce	62	-1
Am. Host & Dk.	14⅝	+⅜
Am. Home Prod	44	+⅜
Am. Intl Grp	73¼	-1
Am. Hosp. Supply	37⅛	+⅜
Am. Medical Intl	34	-1
Am. Motors	6⅞	-⅛
Am. Nat. Rescs.	35⅞	-⅜
Am. Petfina	56½	-⅞
Am. Quasar Pet	9¾	-¼
Am. Standard	32⅛	-⅜
Am. Stores	61⅛	-⅜
Am. Tel & Tel	68⅛	-⅛
Ametek Inc.	38	
Amfac	23⅛	
AMP	72⅝	-¼
Amstar	24⅝	
Amsted Inds.	24	-1⅜
Anchor Hockg	20½	-⅞
Anheuser-Bh	60½	+⅛
Apple Comp.	37⅛	+3½
Archer Daniels	23⅝	+1⅛
Arizona Pub. Ser	26	+¼
Arkla	18⅛	+⅛
Armco	17⅝	
Armstrong Wld.	24⅛	+½
Asarco	37⅛	+1⅛
Ashland Oil	30⅝	-⅛
Assd D. Goods	42½	+1
Atlantic Rich.	47½	+1½
Auto-Data Prg.	38	
Avco	27⅝	+⅛
Avery Intl.	38⅝	+⅛
Avnet	68⅛	-⅛
Avon Prods.	30⅞	-⅛
Baker Intl.	24½	+1⅛
Baldwin Utd	32½	+⅜
Bally Mfg	25⅝	-⅜
Balt. Gas & El.	29⅞	+⅛
Bangor Punta	19⅞	+⅛
Bank America	19⅝	+⅛
Bank of NY.	50	-⅜
Bankers Tst. NY	38⅝	+⅜
Barnett Bks Fl	29	
Barry Wright	20	-⅜
Bausch & Lomb	41⅞	-⅛
Baxt Trav Lab.	48⅝	+⅛
Beatrice Foods	22⅛	+⅛
Becton Dick'son	43⅝	-⅛
Beker Inds.	6⅞	+⅛
Bell & Howell	27⅛	+⅛
Bell Industries	24½	+⅛
Bendix	85⅛	+⅛
Beneficial	21½	+⅛
Beth Steel	20⅞	-⅛
Big Three Inds.	25⅛	+1⅛
Black & Deckr.	19⅞	-⅜
Block HR	37½	-⅛
Blue Bell	31⅛	-⅛
Boeing	34⅞	-⅜
Boise Cascade	38	+½
Borden	49⅞	+⅛
Borg-Warner	40⅝	+⅜
Briggs Stratn.	33⅝	-⅛
Bristol-Myers	66⅛	-⅛
BP	21⅛	+1
Brockway Glass	18½	+⅛
Brown Forman B	28	-⅛
Brown Grp.	55½	-⅛
Brown & Sharp	13⅝	-⅛
Brnswg-Ferris	37	-1⅛
Brunswick	25⅞	-⅛
Bucyrus-Erie	18	
Burlington Ind.	27⅞	
Burlington Nthn.	61½	+½
Burndy	21⅛	
Burroughs	48⅛	
CBI Inds	41⅛	-⅛
CBS	59⅛	-⅜
CPC Intl.	41½	+⅛
CSX	54	+1⅛
Cabot	25⅞	+⅛
Cameron Iron	23⅛	+⅛
Campbell Red L	27⅞	+⅛
Campbell Soup	46⅞	+⅛
Can. Pacific	30	+⅛
Canal Randolph	57½	+⅛
Cap Cities Comm	128⅛	+⅛
Carlisle Corp	33⅝	+⅛
Carnation	41⅞	+⅛
Carolina Pwr	22⅛	+⅛
Carp. Tech	40⅞	+⅛
Carter Hawley	15⅞	-⅛
Caterpillar	44⅞	+⅛
Celanese Corp.	50	+⅛
Centel	35	+⅛
Centex	38⅞	-⅛
Central & SW	18	+⅛
Central Soya	16⅛	
Centronics	18½	
Cessna Aircft	24⅞	-⅛
Champ Home Bld	5½	-⅛
Champ Intl	24⅞	-⅛
Champ Sp Plug	10⅛	-⅛
Charter Co	11½	
Chase Manhattn	49⅞	-⅛
Chemical NY	42	+1⅛
Chese Pond	42⅞	-⅜
Chicago Pneum.	14⅞	-⅜
Chrysler	15⅞	-⅛
Chubb	50⅛	-1
Cigna Corp	41⅞	-⅛
Cincinnati Mil.	33½	+⅛
Citicorp	34⅞	+1⅞
City Investg	30⅝	-⅜
Clark Equip	29	-⅜
Cleve Cli Iron	21	-⅛
Clorox	22⅞	-⅜
Cluett Peaby	22⅛	+½
Coastal Corp	24	+⅛
Coca Cola	48	+1⅛
Colgate Palm	20½	-⅜
Collins Aikman	22	
Colt Inds	31½	-⅞
Columbia Gas	31⅞	+1⅛
Combined Int	28⅞	-⅜
Combustn Engg	37⅞	-⅛
Cmwlth Edison	27	
Comm Satellite	73⅞	
Comp Science	17⅞	-⅛
Computervision	35½	-1½
Condec	12½	+⅜
Cone Mills	35⅞	
Cons Edison	19⅝	-⅛
Cons Foods	41⅛	-⅛
Cons Freight	53⅝	+⅞
Cons Nat Gas	26⅞	+½
Consumer Power	20⅞	+⅛
Contl Corp	28⅛	+⅛
Contl Group	36½	+⅜
Contl Illinois	22⅞	+1⅜
Contl Telep	19	
Control Data	41⅞	-⅜
Cooper Inds	35⅞	+1⅞
Coors Adolph	13⅞	
Copperweld	16½	-⅛
Corning Glass	71⅛	-1⅞
Corroon Black	31⅞	-⅜
Cox Broadcstg	44	
Crane	27½	-1
Cray Research	40	+⅛
Crocker Nat	30	+⅛
Crown Cork	31	+⅛
Crown Zell	30⅛	+⅝
Cummins Eng	52⅛	-⅛
Curtiss-Wright	43½	
Damon	18⅝	
Dana	35⅞	+⅛
Dart and Kraft	66½	-⅛
Data Gen	48⅞	-⅛
Datapoint	21⅞	-⅜
Dayton-Hudson	54½	-⅜
Deere	33⅛	-⅜
Delta Air	41⅞	-⅜
Denny's	29	+⅛
Dentsply Intl	25⅛	
Detroit Edison	14	+⅛
Diamond Intl	8	
Diamond Shamk	25⅞	+⅛
Diebold	83½	-⅛
Digital Equip	105½	-⅛
Dillingham	23⅞	-⅛
Dillon	32⅛	-⅛
Disney (Walt)	66⅛	+½
Dome Mines	20⅝	-⅛
Donaldson Lufkn	18⅞	-⅛
Donnelly (RR)	62	-⅛
Dover Corp	29⅞	-⅛
Dow Chemical	28⅞	+½
Dow Jones	66⅞	
Dravo	13⅞	+⅛
Dresser	20⅝	+⅛
Dr. Pepper	12½	
Duke Power	23⅞	
Dun & Brad	103	
du Pont	41⅛	-⅛
EG & G	28⅛	+½
E-Systems	48⅝	+⅛
Easco	23⅞	-⅛
Eastn Airlines	6⅞	-⅛
Easte Gas & F	22⅞	-⅛
Eastman Kodak	83⅞	+1⅛
Eaton	34½	-⅜
Echlin Mfg	18½	-⅛
Eckerd Jack	23⅞	
Electronic Data	47½	
Elect Memories	6¾	-⅛
El Paso	20½	-⅛
Emerson Elec	58⅞	-⅛
Emery Air Fgt	16	+⅛
Emhart	49	
Engelhard Corp	21½	+½
Esmark	60	+⅛
Ethyl	34⅞	
Evans Prods	12½	
Ex Cell O	28⅞	-½
Exxon	31⅞	-⅛
FMC	38½	+⅛
Faberge	20½	-⅛
Farmers Grp.	36⅞	-1
Fedders	4⅞	-⅛
FederalCo.	27⅞	+⅛
Fed Express	79½	
Federal-Mogul	26½	-1⅛
Fed. Nat. Mort	23⅞	-1
Fed. Paper Brd	28	
Fed. Dept Strs	44⅞	+⅛
Fieldcrest Mil	31	+⅛
Firestone	18⅝	+⅛
1st Bank System	39½	+⅛
1st Charter Fin	18⅞	
1st Chicago	19⅞	+⅛
1st City Bk Tex	20⅝	-⅛
1st Interstate	30⅞	-⅛
1st Mississippi	9⅞	+⅛
1st Nat Boston	37½	+1⅛
1st Penn	4⅞	+⅛
Fisons	7	+⅛
Fischbach	48⅞	+½
Fleetwood Ent	39½	-½
Flexi-Van	21⅛	-⅜
Florida Power	37⅛	+⅛
Fluor	23⅞	-⅛
Ford Motor	37⅞	+⅜
Foremost Mck	40⅞	-2½
Fort Hwd Paper	48	
Foster Wheeler	14⅞	+⅛
Freeport-McM	22⅞	-⅛
Fruehauf	29⅞	+1
GAF	13⅞	+⅛
GATX	30½	+1⅛
GEICO	43⅞	-1
GTE Corp	40⅞	-⅛
Gannett	55	
Gelco	23½	-½
Gen Am Invest	17⅛	+⅛
Gen Cinema	28⅞	+⅛
Gen Dynamics	35½	+½
Gen Electric	85	-⅜
Gen Foods	37⅞	-⅛
Gen Instrument	52⅛	+⅛
Gen Mills	45⅞	+⅛
Gen Motors	60⅞	+⅛
Gen Pub Util	8	+⅛
Gen. Reinsurance	57⅛	-⅛
Gen Signal	45	+⅛
Gen Tire	32⅞	-⅛
Genesco	4⅞	+⅛
Genuine Parts	41¾	+⅛
Georgia Pac	25	-⅛
Gerber Prod	24⅝	-½
Getty Oil	59½	+3¼
Gillette	45¾	-¾
Global Marine	10⅝	+¾
Goodrich (BF)	34¼	-½
Goodyear Tire	32¾	
Gould	35⅛	+⅛
Grace	42¾	+⅜
Grainger (WW)	48⅞	-
Gt. Atl. Pac. Tea	9⅝	-⅛
Gt.Nthn Nekoosa	40½	
Gt West Financl	21	-⅛
Greyhound	19⅝	-½
Grumman	51⅞	+⅛
Gulf & Western	17	-⅛
Gulf Oil	32⅞	+2⅛
Gulf State Util	14⅛	-⅛
Gulf Utd	28⅞	-⅜
Hall (FB)	34⅞	-1½
Halliburton	38½	-1⅛
Hammermill Ppr	32⅞	
Hanna Mining	20⅞	-⅜
Harcourt Brace	19⅞	-⅜
Harris Bancp	31½	+½
Harris Corp	39⅞	+⅛
Harsco	20	
Hecla Mining	23½	-⅛
Heinz (HJ)	37½	+½
Heller Intl	23⅛	+⅛
Helmerich & Payne	24	+2
Hercules	29⅞	-⅛
Hershey	53⅛	+⅜
Hewlett Pkd	78½	-½
Hilton Hotels	42⅞	
Hitachi	33⅞	+⅛
Holiday Inns	37⅞	+⅛
Holly Sugar	47⅞	+1⅛
Homestake	57½	-2⅛
Honeywell	89⅝	
Hoover	13⅞	+⅛
Hoover Univl	25⅞	-⅛
Hormel Geo	28⅛	+⅛
Hospital Corp	38	+⅛
Household Intl	20⅞	+⅛
Houston Inds	21	+⅜
Houston Nat Gas	36⅛	-
Hudson Bay Mng	15	-⅛
Hughes Tool	23⅞	-⅛
Humana	39½	-⅛
Husky Oil	7½	-⅛
Hutton (EF)	38½	-⅛
Hybrasch	26½	-⅛
IC Inds	36⅞	-⅛
IU Intl	18	-⅛
Ideal Basic Ind	19⅛	
Ing.Corp. Amer	6⅛	-⅛
INCO	12	-⅛
Ingersoll Rand	43⅞	-⅜
Inland Steel	27⅛	-⅛
Intel	44⅞	-1
Inter First Corp	22⅛	-⅜
Interlake	34½	
InterNorth	27⅛	-½
IBM	97⅝	-⅛
Int. Flavours	25⅞	-⅛
Int. Harvester	4⅛	+⅛
Int. Income Prop	9	
Int. Min'l & Chem	38⅛	-⅛
Int Multifoods	29½	-⅛
Intl. Paper	51½	-⅛
Int. Tel & Tel	31⅞	-⅛
Irving Bank	44	
James (FS)	33⅞	
Jefferson-Pilot	28½	+⅛
Jewel Cos	45⅛	+⅛
Jim Walter	35⅞	-⅛
Johnson Contr	40⅞	-⅛
Johnson & Jns	49	
Jonathn Logan	23½	
Joy Mfg	28	+⅛
K Mart	24½	+⅛
Kaiser Alumn	17⅞	-⅛
Kaiser Steel	29	+⅛
Kaneb Services	18½	+⅛
Kaufman Brd	13⅛	+⅛
Kellogg	27½	-⅛
Kemper	38	-⅛
Kennametal	30⅛	-⅛
Kerr-McGee	31⅞	+1⅛
Kidde	25½	-⅛
Kimberly-Clk	77⅞	+1⅛
Knight Rdr News	48⅞	-⅛
Koppers	17⅛	-⅛
Knoehler	8	
Kroger	38⅞	+⅝
LTV Corp	13⅛	-⅛
Lanier Bus Prod	15⅞	-⅛
Lear Siegler	36	-⅛
Leaseway Trans	39⅞	-⅛
Lenox	41⅞	-⅛
Levi Strauss	34⅞	+⅛
Levitz Furnir	43⅞	-⅛
Libby Owens Fd	31½	-⅛
Lilly (Eli)	63⅞	-1⅛
Lincoln Nat	46	-⅛
Litton Inds	55	-⅛
Lockheed	87⅞	-⅛
Loews	149	
Long Island Ltg	17⅛	
Lone Star Inds	29⅞	-⅛
Longs Drug Strs	35½	-⅛
Louisiana Land	27⅛	+1⅛
Louisiana Pac	28½	-⅜
Lowenstein	34⅞	-⅜
Lubrizol	31⅞	-⅜
Lucky Strs	20⅞	-⅛
M/A-Com. Inc.	17⅛	-⅛
MCA	24⅞	+⅛
MCI Comm	35⅞	+⅛
M.G.M. UA Ent.	36⅛	
	10½	+⅛
Macmillan	24	
Macy	59⅞	+⅛
Management Asst	12½	+⅛
Mfrs Hanover	40	
Manville Corp	11⅞	
Mapco	25⅛	-⅛
Marine Mid	20⅞	+⅛
Marriott	57⅛	-⅛
Marsh McLenn	41½	+⅛
Martin Mtta	44	
Maryland Cup	46	+1⅛
Masco	27⅞	-⅛
Massey-Fergn	3⅞	
Mass Mutl Corp	21⅞	+⅛
Mattel	14	
May Dept Strs	44½	
Maytag	39½	-⅛
McCulloch Oil	13½	
McDermott (JR)	20	
McDonald's	57⅛	-1⅛
McDonnell Doug	44⅞	-⅛
McGraw Edison	43⅞	-⅛
McGraw-Hill	74½	+1⅛
Mead	21⅛	-⅛
Media Genl	43⅛	-⅛
Medtronic	54⅞	-⅛
Mellon Natl	40⅞	-⅛
Melville	65	-⅛
Mercantile Strs	106	-2⅛
Merck	86⅛	-⅛
Meredith	60	-1
Merrill Lynch	59½	-⅛
Mesa Pet	12⅞	-⅛
Metromedia	288½	+2
Midcon	27	-
Mid Sth Util	15¾	
Milton Bradley	30	-½
Minnesota MM	78	-¼
Mitchell Energy	21⅝	-¾
Mobil	27¾	+2¼
Mohasco	17¼	-⅝
Monarch M/T	21	-⅛
Monsanto	83½	+⅜
Moore McCrmk	22⅞	-⅛
Morgan (JP)	67⅛	+½
Morrison Knudsn	28⅛	
Morton Thiokol	55⅛	
Motorola	95⅞	-⅜
Munsingwear	10⅞	
Murphy (GC)	19⅞	+½
Murphy Oil	26	+1⅛
Nabisco Brand	38⅛	+⅛
Nalco Chem	29⅞	-⅜
Nat Can	23⅞	+⅛
Nat Detroit	31⅞	+⅛
Nat Dist Chem	26⅛	-⅜
Nat Gypsum	28⅞	-⅜
Nat Medical Ent	27⅞	+⅛
Nat Semicductr	27⅞	-⅜
Nat Service Ind	29⅞	+⅛
Nat Steel	20⅞	
Natomas	18⅞	+½
NCNB	19	-½
NCR	80⅛	-1⅛
New England El	33⅞	+⅛
NY State E&G	21⅛	
NY Times	57⅛	+½
Newmont Mining	55⅞	-⅞
Niag Mohawk	16½	-⅛
NICOR Inc	29½	+⅛
Nielsen (AC) A	75⅛	-⅛
Nike B	21⅞	+1⅛
NL Industries	19⅞	+⅜
Noble Affil	18½	+1⅛
Norfolk Southern	54⅛	
Nth. Am. Coal	28⅞	+1⅛
Nth Am Philips	52	
Nthest Util	12½	-⅜
Nth Indiana PS	13⅞	-⅛
Nthn State Pwr	30½	-⅛
Northrop	78½	-⅛
Nwest Airlines	44	-1
Nwest Bancorp	25	+⅛
Nthwest Energy	17½	+⅛
Nwest Inds	41⅞	-½
Nwstn Mutual	13⅞	
Nwstn Steel W	23⅞	-⅛
Norton	36⅞	-⅛
Norton Simon	24⅞	-⅛
Novo Inds ADR	50½	+⅛
Occidental Pet	21⅞	+1
Ocean Drill & Exp	25⅞	+⅛
Ogden	30⅛	
Ogilvy & Mather	49	+1½
Ohio Edison	14⅞	+⅛
Olin	26⅛	+½
Onark	20⅛	+½
Oneok	28⅛	+⅛
Outbrd Marine	28⅞	-1⅛
Overseas Ship	17⅛	+⅛
Owens-Corning	32½	-1⅛
Owens-Illinois	29⅞	-⅛
PACCAR	83	+½
PHH Group	35⅝	
PPG Inds	53⅞	-1½
Pabst Brewing	21½	
Pac Gas & Elec	30⅛	+⅛
Pac Lighting	30⅞	+⅛
Pac Lumber	27⅞	+⅛
Pacific Pwr & L	21⅞	-⅛
Pall	34½	-1
Pan Am Air	3⅞	+⅛
Pan Hand Pipe	28½	+1
Paradyne	43⅛	+⅛
Parker Drillg	11	+⅛
Parker Hanfn	24⅞	+⅛
Parsons	25⅞	+⅛
Peabody Intl	8½	+⅛
Penn Central	33	+1⅛
Penney JC	44⅞	+1
Pennzoil	37⅛	+⅛
Peoples Energy	10	+⅛
Pepsico	35⅞	-1⅛
Perkin-Elmer	31⅞	+⅛
Petrie Stores	24⅞	+⅛
Petrolane	15½	+⅛
Pfizer	71½	+⅛
Phelps Dodge	20	+⅛
Phibro Sal'n	55½	-1⅛
Phila Elect	17⅛	+⅛
Philip Morris	58	-⅛
Phillips Pet	36⅞	+1½
Pillsbury	48⅞	-⅛
Pioneer Corp	22⅞	+1⅛
Pioneer Hi-Brd	22	+⅛
Pitney Bowes	44⅞	
Pittston	16⅞	+⅛
Planning Rsch	12⅛	+⅛
Plessey	83	-2
Pogo Prod'g	23⅞	+⅛
Polaroid	28⅞	+⅛
Potlatch	30	+⅛
Prab Robots	18⅛	+⅛
Prentice-Hall	40½	+⅛
Primark	24½	+⅛
Prime Computer	40⅛	-⅛
Proctor Gamble	108	+⅛
Pub Serv E & G	23⅞	-⅛
Pub S Indiana	27	+⅛
Purolator	54⅞	-1½
Quaker Oats	45⅛	+⅜
Quanex	8⅛	+⅛
RCA	22½	-⅜
Ralston Purina	19⅞	-⅛
Ramada Inns	6	-⅛
Rank Org ADR	1 27/32	-1/32
Raychem	76⅞	-½
Raymond Intl	16½	+⅛
Raytheon	48	-⅛
Reading Bates	15	+⅛
Redman Inds	19⅛	+⅛
Reichhold Chem	19	-⅛
Republic Air	5⅛	-⅛
Republicbank Corp	32½	-⅛
Republic Steel	18	-⅛
Resch Cottrell	15⅞	+⅛
Resorts Intl A	25⅞	-⅛
Revco (DS)	39	-1⅛
Revere Copper	7⅞	+⅛
Revlon	33	-½
Rexnord	13⅞	-⅛
Reynolds (RJ)	51⅛	+⅛
Reynolds Mtls	28⅞	-⅛
Richardson Vks	24½	-1⅛
Rite Aid	47	-⅛
Roadway Exps	64⅛	
Robins (A.H.)	17	
Rochester Gas	18	
Rockwell Intl	45	
Rohm & Haas	79	
Rollins	18	
Rolm Corp	44⅛	+1
Rorer Group	13⅛	+⅛
Royal Crown	20½	
Royal Dutch	33⅞	
Rubbermaid	31⅛	
Ryan Homes	39⅛	
Ryder System	49½	-1
S.F.N Companies	27¾	-⅜
Sabine Corp	20⅛	-⅛
Safeco	48	-¾
Safeway Strs	44½	-½
St. Paul Cos	57	-1¼
St. Regis Ppr	25⅝	-⅜
Santa Fe Inds	25¼	+⅞
Saul Invest	10	+¼
Schering Plo	38¼	-⅛
Schlumberger	51	-2⅞
Scientific Atl	18½	-⅛
SCM	31⅞	+½
Scott Paper	20	-⅛
Seacon	25⅞	-⅛
Seafirst	15⅞	-⅛
Seagram	78⅞	+1⅛
Sealed Power	47⅞	-⅜
Searle (GD)	45⅞	+⅜
Sears Roebuck	28⅞	-⅛
Security Pac	38⅞	+⅛
Sedco	33⅞	+1⅛
Shell Oil	40⅞	+⅛
Shell Trans	27⅛	+⅛
Sherwin-Wms	40⅞	+⅛
Sigma Aldrich	38	-
Signal	17⅛	
Signode	27⅞	
Simplicity Patt	8½	
Singer	19⅞	+⅛
Skyline	24⅞	+⅛
Smith Intl	29½	-½
Smith Kline Beck	66⅛	-½
Sonat		
Sony	14½	
Southeast Bankg	19⅞	+⅛
Sthn Cal Edison	35⅛	+⅛
Sthn N. Eng Tel	63⅞	+⅛
Sthn Pacific	39⅞	
Southland	38⅛	+⅜
SW Bancshares	25	-
Sperry Corp	35⅛	-1
Spring Inds.	36⅞	+⅛
Square D	38⅛	
Squibb	48½	
Staley (A.E.)	22	+1⅛
Std Brds Paint	37½	+½
Std Oil Calif	35⅞	+2½
Std Oil Indiana	48⅛	+1⅞
Std Oil Ohio	40⅛	+⅛
Stanley Wks	22	-⅛
Stauffer Chem	26⅞	+⅛
Sterling Drug	23½	
Stevens (JP)	21⅛	+½
Stokely Van K	49	+⅛
Storage Tech.	23⅞	+⅛
Subaru Amer	64⅞	+⅛
Sun Co	34⅞	-⅛
Sundstrand	45⅞	-⅛
Superior Oil	33⅞	+1⅜
Super Val Strs	27⅞	+⅛
Syntex	60½	+⅛
Sysco	40⅞	-1
TRW	71⅛	
Taft	42½	-⅛
Tampax	48⅞	
Tandem Comp	27	-⅛
Tandy	50⅛	-⅜
Teledyne	144⅞	+1½
Tenneco	35½	+⅛
Tesoro Pet	17⅛	+⅛
Texaco	32⅞	+1⅛
Texas Comm Bk	39	-⅛
Texas Eastern	55½	+1⅛
Texas Gas Trn	28⅞	+½
Texas Instruments	153⅞	+⅛
Texas Oil Gas	39⅞	+1⅛
Texas Utilities	23½	+⅛
Textron	25⅞	+⅛
Thomas Betts	54⅛	+⅛
Tidewater	27	+⅛
Tiger Intl	8⅞	+⅛
Time Inc	49⅞	+⅛
Times Mirror	61	-½
Timken	51⅞	+⅛
Tipperary	8⅞	
Tom Brown	8⅞	+⅛
Tosco	12	+⅛
Total Pet	10⅛	
Toys R. Us	42⅞	-⅛
Trane	30⅞	+⅛
Transamerica	22⅞	+⅛
Transco Co's	22⅞	+½
Tranway	26⅞	+⅛
Trans World	28⅛	-1⅜
Travelers	24⅞	-
Tricentrol	6⅞	+½
Tri-Continental	26⅞	+⅛
Tristone Energy	11⅞	-⅛
Tyler	21⅞	-⅛
UAL	30½	-1½
Unilever NV	74½	-⅜
Unimation	20⅞	
Union Camp	86	-⅛
Union Carbide	57½	-⅞
Union Electric	14⅞	-⅛
Union Oil Cal	34	+2½
Union Pacific	51⅞	+1⅛
Uniroyal	12⅞	-⅛
Utd Brand	18	-⅛
Utd Energy Res	28	-⅛
US Air	28⅞	-1⅛
US Fidelity G	41⅞	-⅛
US Gypsum	49⅞	-⅛
US Home	24⅛	-⅛
US Inds	13⅞	
US Shoe	54⅞	-⅛
US Steel	21	-⅛
U.S. Surgical	21⅞	+⅛
US Tobacco	68⅛	+1
U.S. Trust	47	
Utd Technolgs	61	-⅛
United Tel	22⅛	
Upjohn	58⅞	-⅛
VF	40⅞	
Valero Energy	25⅞	+1⅛
Varian Assocs	69	+1⅛
Vernitron	14	+⅛
Virginia E P	11	+⅛
Vulcan Matrls	60⅞	-3⅛
Walgreen	54½	+⅛
Walker (H) Res	17⅛	+⅛
Wal-Mart Strs	46⅞	-⅛
Wang Labs B	33	-⅛
Warnaco	38½	-⅛
Warner Comms	29⅞	+⅛
Warner-Lambt	27⅛	+⅛
Washington Post	57⅞	+⅛
Waste Mangt	54⅞	+⅛
Wells Fargo	27⅞	+⅛
W. Point Pepp	39⅛	+⅛
Westn Airlines	5⅞	-⅛
Westn Nth Amer	10⅛	+½
Western Union	44⅛	+⅛
Westinghouse	43⅞	-⅛
Westvaco	28⅛	+⅛
Weyerhaeuser	37⅞	
Wheelabrtr F	53⅛	-⅛
Wheeling Pitts	17½	
Whirlpool	42⅞	
White Consold	27⅛	
Whittaker	24⅞	-⅜
Williams Co	24⅞	+⅛
Winn-Dixie Str	44½	+⅜
Winnebago	12⅞	-⅛
Wisc Elect Pwr	22⅞	-⅛
Woolworth	23⅞	-⅛
Wrigley	39⅛	-¼
Wyly	11⅛	+⅛
Xerox	40⅞	+⅛
Yellow Frt Sys	20⅛	-
Zapata	18	+⅝
Zayre	60	-½
Zenith Radio	14⅞	-

CANADA

(Closing Prices)

Stock	Jan 20	Vars.
AMCA Intl.	22½	+⅛
Abitibi	20⅝	-⅛
Agnico Eagle	18½	-½
Alberta Energy	15½	+⅜
Alcan Alumin	35⅛	+⅛
Algoma Steel	27¾	-⅛
Asbestos	10½	-
Bk Montreal	25½	+⅛
Bk Nova Scotia	33¾	+⅛
Basic Resources	1.58	+0.18
Bell Canada	23⅞	+⅛
Bombardier A	14	-
Bow Valley	18⅞	+⅛
BP Canada	43⅝	-⅝
Brascan A	23⅞	+⅛
Brinco	3 7	-
B. C. Forest	9	+⅛
CIL Inc	24⅛	-
Cadillac Fairv.	8⅞	-⅛
Can Cement	14⅛	+½
Can NW Energy	57½	+4
Can Packers	36⅛	-
Can Trustco	32⅛	-⅜
Can Imp Bank	31	+⅛
Canadian Pacific	37	-⅛
Can. P. Ent.	28	-⅛
Cdn Tire	54	+⅜
Carling O'Kfe	13⅛	+⅛
Chieftain	25	-⅛
Cominco	54⅞	-½
Cons Bathst A	17⅞	+⅛
Coseka Resources	4.7	+0.1
Costain	7⅞	
Daon Devel	1.9	+0.04
Denison Mines	31	+⅛
Dome Mines	25⅞	-½
Dome Petroleum	4.75	+0.2
Dom Foundries A	37⅞	-1⅛
Dom Stores	17½	-
Domtar	21⅞	+⅜
Falcon Ltd.	58⅛	+⅛
Genstar	22⅞	-⅛
Giant Y'knife	25	+½
Gt West Life	200	-
Gulf Canada	15⅞	+⅛
Gulfstream Res.	1.83	+0.01
Hawk Sid Can	14⅞	-⅜
Hudson Bay Mng	18	-⅛
Hudson's Bay	20½	-⅛
Husky Oil	9	-⅛
Imasco	30⅛	-⅛
Imp Oil A	30	+⅛
Inco	15½	-⅛
Indal	15⅝	-⅛
Interpr Pipe	22⅛	-⅛
Mac. Bloedel	27⅞	-⅛
Marks & Spencer	8⅛	+⅛
Massey-Ferg	4.6	-
McIntyre Mines	33	-1
Mitel	34	-1½
Moore Corp	51⅞	-
Nat. Sea Prods A	10	-
Noranda Mines	22⅞	+⅛
Nova Alberta	8⅞	+⅛
Nthn Telecom	85⅛	-⅜
Oakwood Pet	15⅞	-½
Pacific Copper	1.12	+0.02
Pancanadian Pet	86	-
Patino	21	-
Placer Devt	22⅞	-⅛
Power Corp Can	13⅝	-⅛
Quebec Strgn	8⅞	-⅛
Ranger Oil	9⅞	+⅜
Reed Stenhse A	14	-
Rio Algom	42	-
Royal Bank	27	-
Royal Trustco A	18½	-
Sceptre Res	6½	-
Seagram	86	+1
Shell Can A	22⅞	+⅝
Steel of Can A	23	-
Teck B	12½	+⅜
Texaco (Canada)	30⅞	+⅝
Thomson News A	28	+⅛
Toronto Dom Bank	42	+⅜
Transalta A	21⅛	-⅛
Trans. Can. Pipe	25⅞	-⅜
Walker (H) Res	21⅞	+⅛
Westcoast Trans	14⅛	-⅛
Weston (Geo)	43⅞	-

AUSTRIA

Jan. 20	Price %	+ or —
Creditanstalt	211	....
Goesser	196	....
Interunfall	375	....
Landerbank	204	....
Perlmooser	261	....
Steyr Daimler	150	....
Veitscher Mag	177	+1

BELGIUM/LUXEMBOURG

Jan. 20	Price Frs.	+ or —
ARBED	1,138	+6
Banq Int A Lux	3,950	....
Bekaert B	2,195	....
Ciment BR	1,675	....
Cockerill	95	+1
Delhaize	5,820	....
EBES	1,980	—10
Electrobel	4,700	+10
Fabrique Nat	2,720	+10
G.B. Inno	2,800	+10
GBL (Brux)	1,595	+15
Gevaert	1,800	....
Hoboken	3,975	....
Intercom	1,585	+5
Kredietbank	4,500	....
Pan Hldgs	6,850	....
Petrofina	4,630	—15
Royale Belge	6,100	+20
Soc Gen. Banq	2,465	+10
Soc Gen Belge	1,330	—6
Sofina	3,875	—70
Solvay	2,350	....
Traction Elect.	2,765	—5
UCB	2,795	—5
VieilleMont	3,910	....

DENMARK

Jan. 20	Price %	+ or —
Aarhus Olie	343	—3
Andelsbanken	161	+0.6
Baltica Skand.	323	+6
CopHandelsbank	194.6	....
D. Sukkerfab	419	+5
Danske Bank	200.2	+0.6
East Asiatic	88.4	—1
Forende Brygg	665	+6
Forende Damp	148	—1
GNT Hldg.	183	+4.6
I.S.S.B.	274	+2
Jyske Bank	304	+5
Novo Ind	2120	+30
Privatbanken	168	....
Provinsbanken	159.4	+0.8
Smidth (F.L.)	186.4	+1.4
Sophus Berend	592	+2
Superfos	102.2	+0.2

FRANCE

Jan. 20	Price Frs.	+ or —
Emprunt 4½% 1973	2,172	—13
Emprunt 7% 1973	9,320	—145
CNE 3%	3,030	—20
Air Liquide	416	+1
BIC	407	+1.5
Bouygues	775	+18
BSN Gervais	1,462	—1
CIT Alcatel	834	+6
Carrefour	1,345	—1
Club Mediter	513	—1
CFAO	465	+11
Cie Bancaire	265	—5.5
Cofimeg	130.4	+0.4
Creusot Loire	57	—1.2
Darty	777	+5
Dumez	1,120	+22
Eaux (Cie Gen)	348	....
Elf-Aquitaine	126	+3
Gen. Occidental	398.5	+4.8
Imetal	48.5	....
Lafarge-Coppee	259	—1.5
L'Oreal	1,003	+8
Legrand	1,594	....
Maisons Phenix	365	—1
Matra	1,283	+18
Michelin B	781	—11
Midi (Cie)	655	+6
Moet-Hennessy	817	+2
Moulinex	66	+0.7
Nord Est	46	+0.6
Pernod Ricard	360.5	+3.5
Perrier	229.9	+1
Petroles (Frq.)	142.5	+5.4
Peugeot-SA	128	—3.5
Poclain	101.1	+0.9
Printemps Au	113	—2.1
Radiotech	335	+2
Redoute	896	—1
Roussel-Uclaf	239.5	—0.5
Schneider	94.3	....
Sefimeg	173	+0.4
Skis Rossignol	699	+14
Telemech Elect.	835	—5
Thompson (CSF)	148	—0.7
Valeo	214.8	+0.8

GERMANY

Jan. 20	Price Dm.	+ or —
AEG-Telef	29	—0.6
Allianz Vers	520	....
BASF	118.5	—0.5
BAYER	111.9	—0.4
Bayer-Hypo	243	—3.5
Bayer-Verein	289	—1
BHF-Bank	220	+0.5
BMW	223	....
Brown Boveri	208	+1
Commerzbank	126.5	—1.9
Conti Gummi	70.3	+8.1
Daimler Benz	382.2	+1.4
Degussa	242	—3
Demag	123.5	—0.5
D'sche Babcock	139.8	—0.2
Deutsche Bank	261	—3
Dresdner Bank	136	....
GHH	162	—1.5
Hochtief	475	....
Hoechst	108.5	—0.4
Hoesch	32	+0.6
Holzmann (P)	485	—2.5
Horten	112	+0.5
Kali und Salz	158.5	+0.5
Karstadt	189.5	—3
Kaufhof	193	—4
KHD	197.5	—0.5
Kloeckner	56	+0.5
Krupp	62	....
Linde	300	—3.5
Lufthansa	82	....
MAN	131	....
Mannesman	140.5	—0.7
MercedesHld	339	+0.5
Metallgesell	227	—0.5
Muench Rueck	770	—25
Preussag	210.5	—2
Rhein West Elect	188	+0.5
Rosenthal	266	+3
Schering	294	—0.5
Siemen	246	—0.3
Thyssen	66.9	+0.7
Varta	168	—0.5
Veba	137.3	—0.5
V.E.W.	121.5	—0.5
Verein-West	282	....
Volkswagen	142	—1.2

HOLLAND

Jan. 20	Price Fls.	+ or —
ACF Holding	107.8	+3.3
Ahold	132.3	—1.9
AKZO	36	—1.3
ABN	297	—1
AMEV	103.5	....
AMRO	45	—0.3
Bredero Cert	165.5	+2
Boskalis West	30.5	....
Buhrmann-Tet	33.7	....
Caland Hlds	28.1	—0.4
Elsevier NDU	191.2	—0.3
Ennia	132	—1
Euro Comm Tst	74.3	....

HOLLAND (continued)

Jan. 20	Price Frs.	+ or —
Gist.-Brocades	126.5	—0.5
Heineken	105.6	—0.2
Hoogovens	16.2	+0.7
HunterDouglas	12.4	+0.1
Int Muller	18.7	+0.2
KLM	155.3	+4.1
Naarden	26.5	....
Nat Ned cert	125.7	+0.4
Ned Cred Bank	26.1	....
Ned Mid Bank	114.5	—0.5
Ned Lloyd	95	+2.5
Oce Grinten	166.3	....
Ommeren(Van)	19.3	....
Pakhoed	41.5	—0.5
Philips	29.4	—0.1
Rijn-Scheide	12.5	—0.2
Robeco	255	—1.3
Rodamco	124.8	+0.2
Rolinco	240	—1
Rorento	182.8	—0.6
Royal Dutch	100.3	+2.1
Stavenburgs	72.7	+0.5
Tokyo Pac Hg	226	—2
Unilever	197.5	+0.5
Viking Re	114	....
Vmf Stork	61	—1
VNU	66	—1
West Utr Bank	83.5	—0.5

ITALY

Jan. 20	Price Lire	+ or —
Banca Com'le	31,708	—250
Bastogi IRBS	159.4	—0.6
Centrale	2,290	—40
Credito Varesino	5,899	....
Fiat	1,780	....
Finsider	50	+3.4
Generali (Assic)	112,675	—125
Invest	2,044	—17
Italcement	32,000	+1000
Montedison	108.6	—0.4
Olivetti	2,260	+14
Pirelli Co	2,320	—21
Pirelli Spa	1,298	....
Snia Viscosa	740	+10
Toro Assic.	11,600	+50
do. Pref	7,750	—100

NORWAY

Jan. 20	Price Kroner	+ or —
Bergens Bank	107.5	—2
Borregaard	93	+1
Christiana	117	—0.5
Creditbank	123	—7
Elkem	48.5	—1
Norsk Data	150	—11
Norsk Hydro	295	....
Storebrand	142.5	—0.5

SPAIN

Jan. 20	Price %	+ or —
Bco Bilbao	229	+2
Bco Central	272	+2
Bco Exterior	200	....
Bco Hispano	216	....
Bco Santander	218	....
Bco Vizcaya	285	+1
Dragados	114	+2
Hidrola	52.5	+2.3
Iberduero	43.7	—1
Petroleos	73	+1.8
Telefonica	63	—3

SWEDEN

Jan. 20	Price Kronor	+ or —
AGA	300	....
Alfa-Laval	295	—5
ASEA (Free)	325	—5
Astra (Free)	1250	....
Atlas (Copco)	106	....
Boliden	512	—11
Cardo (Free)	550	—2
Cellulosa	435	—16
Electrolux B	149	—1
Ericsson	360	+5
Esselte (Free)	183	....
Fagersta	160	....
Fortia (Free)	395	—17
Mo och Dom	155	—8
Saab-Scania	224	—4
Sandvik B (Free)	212	+6
Skandia	765	+6
Skan Enskilda	235	+3
SKF B	120	—5
St Kopparberg	360	—15
Sven Handelsbn	119	+3
Swedish Match	171	—8
Volvo B (Free)	315	—5

SWITZERLAND

Jan. 20	Price Frs.	+ or —
Alusuisse	545	—10
Bank Leu	4,075	—35
Brown Boveri	1,005	—10
Ciba-Geigy	1,615	+10
do (Part Certs)	1,310	—6
Credit Suisse	1,915	—5
Elektrowatt	2,675	—5
Fischer (Geo)	530	+5
Genevoise	3,600	—25
Hoff-Roche PtCts	76,250	+75
Hoff-Roche 1/10	7,650	+75
Interfood	5,625	....
Jelmoli	1,510	—10
Landis & Gyr	1,030	—20
Nestle	3,865	—10
Oer-Buehrle	1,320	—10
Pirelli	246	....
Sandoz (B)	4,650	....
Sandoz (Pt Cts)	679	+4
Schindler(Pt.Cts)	335	+9
Swissair	712	—10
Swiss Bank	312	—1
Swiss Reinsce	7,100	—125
Swiss Volksbk	1,220	+20
Union Bank	3,160	—20
Winterthur	2,670	....
Zurich Ins	17,000	—50

AUSTRALIA

Jan. 20	Price Aust. $	+ or —
ANZ Group	3.68	+0.02
Acrow Aust	1.25	....
A.O.D.	0.63	....
Ampol Pet	1.48	....
Assoc. Pulp Pap	1.85	....
Aust. Cons. Ind	1.24	—0.01
Aust. Guarant	2.25	+0.05
Aust. Nat. Inds	2.45	....
Aust. Paper	1.92	—0.05
Bond Hldgs	0.95	—0.05
Boral	2.37	—0.01
Bougainville	2.32	—0.04
Brambles Inds	2.45	....
Bridge Oil	3.05	+0.05
BHP	7.26	—0.02
CRA	4.05	....
CSR	3.15	....
Carlton & Utd	2.28	—0.06
Castlemaine Tys	4.32	+0.02
Coles (G.J.)	2.48	+0.05
Comalco	1.95	....
Consolidated Pet	0.21	—0.01
Costain	1.20	....
Dunlop	1.06	....
E.Z. Inds	3.40	—0.02
Elders IXL	2.82	+0.02
Energy Res	1.60	—0.04
Gen. Prop. Trust	1.74	....
Hardie (J.)	3.45	+0.05
HartogenEnergy	1.80	—0.05
HeraldW'y Times	2.20	+0.05
ICI Aust	1.80	—0.02
Jimbalana (50cfp)	0.36	+0.05
Kia Ora Gold	0.29	+0.01
Lend Lease	3.58	—0.02
Leonard Oil	0.13	....
MIM	4.25	—0.05
Mayne Nickless	2.55	+0.05
Meekatharra	2.50	....
Myer Emp	1.24	+0.02
Nat.Comm. Bank	2.65	....
News	2.25	....
Nicholas Kiwi	1.85	+0.05
North Bkn Hill	2.65	....
Oakbridge	1.32	—0.05
Otter Expl	0.85	....
Pancon	1.85	—0.05
Pioneer Co	1.57	—0.01
Reckitt&Colman	1.85	....
Repco	1.00	—0.02
Santos	5.54	—0.02
Smith (H)	3.55	—0.05
Southland Min'g	0.28	....
Spargos Expl	0.24	—0.02
Thos. Natwide	1.66	....
Tooth	2.45	+0.06
UMAL Cons	1.85	—0.07
Vamgas	7.40	+0.1
Western Mining	4.17	—0.05
Westpac	2.65	....
Woodside Petrol	0.83	—0.01
Woolworths	1.86	....
Wormald Intl	3.00	—0.15

HONG KONG

Jan. 20	Price H.K.$	+ or —
Carrian Invest	0.87	....
Cheung Kong	9.45	....
China Light	13.5	—0.1
HangLung Devel.	1.68	....
Hang Seng Bank	48.50	+0.75
HK Electric	5.05	—0.15
HK Kowloon Whf	3.12	+0.05
HK Land	4.30	....
HK Shanghai Bk	8.60	+0.05
HK Telephone	30.75	....
Hutchison Wpa	11.7	—0.1
Jardine Math	14.3	—0.02
New World Dev	5.10	—0.02
O'Seas Trust Bk	4.20	+0.3
SHK Props	5.9	+0.2
Swire Pac A	10.9	+0.3
Wheel'k Mard A	3.52	—0.03
WheelockM'time	1.82	+0.2
World Int. Hold's	1.47	+0.05

JAPAN

Jan. 20	Price Yen	+ or —
Ajinomoto	850	—1
Alps Electric	1,620	....
Amada	583	—2
Asahi Chem	273	....
Asahi Glass	515	+5
Bridgestone	449	—1
Canon	1,100	....
Casio Comp	995	—25
Chugai Pharm	1,050	....
Citizen	322	+1
Daiei	626	....
Dai Nippon Ptg	708	+2
Daiwa House	476	+4
Ebara	345	—1
Eisai	1,140	+50
Fanuc	4,580	....
Fuji Bank	500	....
Fuji Film	1,620	—20
Fujisawa	1,250	+10
Fujitsu	906	—2
Green Cross	1,630	—20
Hasegawa	486	+5
HeiwaReal Est	546	....
Hitachi	788	—7
Hitachi Credit	1,260	—50
Honda	968	—11
Housefood	924	—1
Hoya	815	....
Itoh (C)	321	—11
Ito-Yokada	1,090	—80
Iwatsu	1,020	—20
JACCS	412	—5
JAL	2,250	....
Jusco	564	—3
Kajima	330	—4
Kao Soap	555	+2
Kashiyama	670	—7
Kirin	398	—2
Kokuyo	774	—1
Komatsu	513	—3

JAPAN (continued)

Jan. 19	Price Yen	+ or —
Konishiroku	619	+1
Kubota	323	....
Kumagai	386	—10
Kyoto Ceramic	4,170	+20
Maeda Const	587	+5
Makino Milling	795	....
Makita	785	....
Marubeni	297	+2
Marudai	586	+6
Marui	1,000	—60
MEI	1,180	—40
M'ta Elec Works	560	+5
M'bishi Bank	500	....
M'bishi Corp	545	+6
M'bishi Elect	380	—1
M'bishi Estate	448	....
MHI	240	—5
Mitsui Co	373	—2
Mitsui Est	741	—1
Mitsukoshi	357	....
NGK Insulators	500	+5
Nihon Cement	18.62	0.38
Nippon Denso	1,140	—20
Nippon Elect	900	—6
Nippon Express	161	—2
Nippon Gakki	645	....
Nippon Kokan	132	....
Nippon Oil	990	—10
Nippon Seiko	425	—10
Nippon Shimpan	780	—28
Nippon Steel	141	....
Nippon Suisan	273	+1
NTV	4,340	....
Nippon Yusen	232	—4
Nissan Motor	770	—8
Nisshin Flour	333	....
Nisshin Steel	141	—1
Nomura	649	—6
Olympus	1,080	—30
Omron Tateisi	1,050	....
Orient Leasing	2,250	....
Pioneer	2,110	—40
Renown	629	+9
Ricoh	681	—5
Sankyo	798	—7
Sanyo Elect	433	—3
Sapporo	252	+3
Sekisui Prefab	728	—2
Seven-Eleven	5,940	....
Sharp	1,150	+20
Shimadzu	501	+6
Shionogi	801	—4
Shiseido	950	—2
Sony	3,400	—90
Stanley	456	—14
S'tomo Elect	499	—6
S'tomo Marine	215	....
Taihei Metal	154	—3
Taihei Dengyo	487	+2
Taisei Corp	232	—1
Taisho pharm	612	—15
Takeda	878	—2
TDK	4,400	+10
Teijin	238	+2
Teikoku Oil	867	—13
Tokio Marine	467	+2
TBS	502	—14
Tokyo Elect.Pw.	1,000	—20
Tokyo Gas	122	....
Tokyo Sanyo	421	....
Tokyo Style	830	—20
Tokyo Corp	206	—1
Toppan Print	505	....
Toray	357	....
Toshiba	339	—5
TOTO	431	....
Toyo Seikan	492	+8
Toyota Motor	988	....
Victor	2,100	—40
Wacoal	675	+4
Yamaha	632	—2
Yamanouchi	1,150	—10
Yamazaki	525	....
Yasuda Fire	236	+3
Yokogawa Bdge.	415	—5

SINGAPORE

Jan. 20	Price $	+ or —
Boustead Bhd	1.90	+0.04
Cold Storage	4.40	+0.02
DBS	8.05	....
Fraser & Neave	7.80	....
Genting	3.34	+0.02
Haw Par	2.46	....
Inchcape Bhd	2.71	+0.05
Malay Banking	6.60	+0.05
Malay Brew	4.64	....
OCBC	9.10	—0.10
Sime Darby	2.24	—0.01
Straits St'mship	1.76	....
Straits Trading	5.65	+0.05
UOB	4.00	—0.02

SOUTH AFRICA

Jan. 20	Price Rand	+ or —
Abercom	3.10	—0.10
AE & CI	8.25	....
Anglo Am. Coal	26.50	—1.50
Anglo Am	24.9	—0.30
Anglo Am Gold	164.5	—2.50
Barclays Bank	16	—0.25
Barlow Rand	15	....
Buffels	74	+1
CNA Invest	10.20	+0.2
Currie Finance	3.35	....
De Beers	9.25	....
Driefontein	49.75	....
FS Geduld	67.35	—0.90
Gold Fields SA	150	....
Highveld Steel	5.75	....
Nedbank	11.40	+0.15
OK Bazaars	27.0	+1
Protea Hldgs	3.0	....
Rembrandt	19	—0.25
Rennies	6.6	....
Rustenburg	9.15	—0.15
Sage Hldg	4.1	....
SA Brews	7.50	—0.05
Smith (C.G.)	21	+1.00
TongaatHuletts	9.15	....
Unisec	4.25	....

Financial Rand US$0.76¾
(Discount of 18¼%)

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK—DOW JONES

	Jan 20	Jan 19	Jan 18	Jan 17	Jan 14	Jan 13	1982-83 High	1982-83 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1078.82	1068.86	1078.65	1084.81	1080.85	1073.96	1092.35 (10/1/83)	776.92 (12/8/82)	1092.35 (10/1/83)	41.22 (2/7/32)
Transport	456.8	457.35	466.09	469.27	467.68	468.15	471.91 (11/1/83)	292.12 (12/8/82)	471.91 (11/1/83)	12.23 (8/7/32)
Utilities	125.78	124.49	124.4	124.58	124.63	124.68	124.68 (13/1/83)	103.22 (20/7/82)	163.32 (20/4/69)	10.85 (28/4/42)
Trading vol 000's†	8279	8098	7838	8921	6648	7763	-	-	-	-

	Jan 14	Jan 7	Dec 31	(Year Ago Approx)
Ind div yield %	5.01	5.03	5.17	6.52

STANDARD AND POORS

	Jan 20	Jan 19	Jan 18	Jan 17	Jan 14	Jan 13	1982-83 High	1982-83 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	164.59	163.35	164.5	164.73	164.61	163.43	164.73 (17/1/83)	114.08 (12/8/82)	164.73 (17/1/83)	3.52 (30/6/32)
Composite	146.31	145.27	146.4	146.71	146.65	145.73	146.78 (10/1/83)	102.42 (12/8/82)	146.78 (10/1/83)	4.4 (1/6/32)

	Jan 19	Jan 12	Jan 5	Year Ago (Approx)
Ind div yield %	4.39	4.35	4.58	6.67
Ind. P/E Ratio	11.35	11.30	10.94	7.77
Long Gov Bond Yield	10.60	10.41	10.43	14.13

N.Y.S.E ALL COMMON

Jan 20	Jan 19	Jan 18	Jan 17	1982-83 High	1982-83 Low
84.51	83.99	84.63	84.78	84.79 (17/1/83)	58.8 (12/8/82)

RISES AND FALLS

	Jan 20	Jan 19	Jan 18
Issues traded	1913	955	1973
Rises	804	540	746
Falls	737	64	858
Unchanged	372	351	369

MONTREAL

	Jan 20	Jan 19	Jan 18	Jan 17	1982-83 High	1982-83 Low
Industrials	357.11	354.14	358.71	358.28	366.63 (10/1/83)	249.58 (21/6/82)
Combined	340.46	338.48	342.34	342.2	349.85 (10/1/83)	237.27 (21/6/82)
TORONTO Composite	2857.8	2865.1	2877.8	2881.4	2118.8 (10/1/83)	1355.7 (21/6/82)

U.S. INDICES; CLOSING VALUES. YESTERDAY'S CANADIAN INDICES; LATEST AVAILABLE

New York Active Stocks

Thursday	Stocks Traded	3.00 p.m. Price	Change on Day		Stocks Traded	3.00 p.m. Price	Change on Day
Mobil	1,349,100	27½	+1¾	Super Oil	948,300	33¼	-1¼
Exxon	1,289,400	31⅛	+⅜	Gulf Oil	861,600	32⅝	+2¼
Union Oil	1,128,500	33½	+2	Mid-So Util	827,300	15⅝	-⅛
Citicorp	989,600	34½	+1½	Bankamer	810,800	19⅝	+⅛
Ral Purina	957,200	19⅝	-⅛	Schlumb	807,100	50⅞	-2⅝

	Jan. 20	Jan. 19	Jan. 18	Jan. 17	1982-83 High	1982-83 Low
AUSTRALIA All Ord. (1/1/80)	556.2	558.3	540.4	553.1	585.6 (4/1/82)	448.2 (8/7)
Metal & Minls. (1/1/80)	477.6	468.2	482.4	467.4	482.4 (18/1/83)	288.8 (8/7)
AUSTRIA Credit Aktien (2/1/62)	49.46	49.51	49.46	49.64	55.96 (4/11)	47.55 (28/10)
BELGIUM Belgian SE (31/12/63)	105.06	104.95	103.96	103.46	105.06 (20/1/83)	88.42 (26/1/82)
DENMARK Copenhagen SE (5/1/83)	104.43	103.92	103.10	102.76	104.43 (20/1/83)	100.00 (5/1/83)
FRANCE CAC General (31/12/81)	103.7	102.6	102.5	102.9	111.6 (12/5)	95.3 (12/8)
Ind Tendance (31/12/82)	104.9	102.5	104.5	104.6	105.2 (14/1/83)	98.0 (5/1/83)
GERMANY FAZ-Aktien (31/12/58)	244.92	245.48	245.47	248.51	257.55 (6/1/83)	214.88 (17/8)
Commerzbank(Dec1953)	738.0	738.9	738.2	746.1	777.8 (5/1/83)	668.2 (17/8)
HOLLAND ANP-CBS General (1970)	104.3	104.4	104.8	106.0	107.8 (11/1/83)	84.8 (5/1/82)
ANP CBS Indust (1970)	88.6	89.8	90.1	90.8	85.4 (11/1/83)	65.2 (4/1/82)
HONG KONG Hang Seng Bank (31/7/64)	908.56	906.54	899.91	874.48	1445.32 (12/1/82)	676.30 (2/12)
ITALY Banca Comm Ital.(1972)	174.94	174.73	174.87	171.61	212.66 (19/5)	147.28 (22/7)
JAPAN** Dow Average (16/5/49)	7993.31	7988.68	8028.28	8082.73	8218.02 (6/1/83)	6849.78 (1/10)
Tokyo New SE (4/1/68)	581.94	584.58	589.82	583.28	602.17 (6/1/83)	511.52 (17/8)
NORWAY Oslo SE (4/1/83)	116.88	118.79	119.30	119.98	119.95 (17/1/83)	98.01 (4/1/83)
SINGAPORE Straits Times (1966)	766.22	765.53	761.58	780.95	816.75 (6/1/82)	657.87 (19/8)
SOUTH AFRICA Gold (1958)	(u)	1073.8	1061.1	1075.5	1073.5 (17/1/83)	355.5 (8/7)
Industrial (1958)	(u)	820.7	816.3	888.5	820.7 (18/1/83)	607.5 (23/6)
SPAIN Madrid SE (31/12/82)	102.06	101.68	100.28	(c)	102.06 (20/1/83)	98.32 (11/1/83)
SWEDEN Jacobson & P. (1/1/58)	1002.0	1008.3	1012.09	1019.87	1012.57 (17/1/83)	565.52 (29/4)
SWITZERLAND Swiss BankCpn.(31/12/58)	295.7	296.2	296.4	296.2	301.7 (7/1/83)	237.0 (17/8)
WORLD Capital Intl. (1/1/70)	—	158.9	160.1	161.4	162.8 (10/1/83)	118.4 (13/8)

(**) Saturday January 15: Japan Dow (c). TSE (c).

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000: the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

مكبرا من الأصل

COMMODITIES AND AGRICULTURE

Green drachma devalued

By Larry Klinger in Brussels

THE European Commission yesterday proposed a 7 per cent devaluation of the "green drachma" from February 1 for most products, and for olive oil when its new marketing year begins in November.

This would mean a hefty rise in Greek farmers' EEC guaranteed prices.

Greece had asked for a full "green currency" devaluation of around 22 per cent following the devaluation of the drachma earlier this month, but the Commission's suggestion that a phased realignment should take place seems to be acceptable.

The likelihood is for a similar devaluation to take place within the EEC's annual farm-price fixing due to take effect on April 1, followed by a third realignment sometime later.

Because of currency fluctuations, the EEC's system of common farm prices can only be maintained through the use of artificial agriculture currencies. In Greece's case, as long as the gap remains between the drachma and its higher "green currency," a system of subsidies on imports, and taxes on exports will operate.

This means Greek imports of produce like cereals, dairy products and some meats are aided and tend to keep shop prices down. But because exports are taxed, the Greek wine industry's competiness could be damaged.

Greece is anxious to obtain higher EEC guaranteed price levels for its farmers through further devaluations of its "green currency," but seems far from certain on timing, especially of its parallel attempts to control inflation.

Malaysia balks at signing Unctad Common Fund

BY WONG SULONG IN KUALA LUMPUR

MALAYSIA HAS told the UN Conference on Trade and Development (Unctad) that it is unlikely to ratify membership of its Common Commodity Fund.

Mr Gamani Corea, the Unctad secretary-general, was told this when he met senior Malaysian ministers in Kuala Lumpur

So far, 78 countries, including Malaysia, have signed the 1980 treaty to set up the Common Fund for commodities, but only 12 have ratified the pact. The ratification date has been extended to September.

Malaysian ministers gave three reasons why the Government was now reluctant to ratify the accord, although Malaysia was originally one of the prime movers in initiating the establishment of the Common Fund.

The fund was supposed to work in such a way that through buffer stock operations of buying low and selling high, it would help stabilise commodity prices. But the fund could be powerless in the current situation when all commodities have experienced sharp falls in prices.

Secondly, Malaysia feels the financing available to the Common Fund, amounting to less than $750m, is insufficient in the event of falling prices for all commodities, and that export controls have to be implemented.

Finally, Malaysia, which is the world's leading exporter of rubber, tin, palm oil and tropical timber, is disenchanted with international commodity pacts, after experiencing fierce confrontations with consumer nations in the International Tin Agreement and International Rubber Agreement in the past two years.

The Malaysian view is that in the current recession, the developed nations are looking after their own interests and are not interested in stabilising commodity prices at levels profitable to producers.

Mr Corea was told that in view of the negative attitude of the developed countries, Malaysia was seeking co-operation among other commodity producers to establish their own associations outside the Unctad Common Fund programme.

Mr Corea, who is visiting Asian countries for discussions on the Unctad General Assembly in Belgrade in July, is now in Indonesia, which unlike Malaysia, has maintained its support for the early operation of the Common Fund.

World wheat estimate raised

BY OUR COMMODITIES STAFF

THE INTERNATIONAL Wheat Council has raised its estimate of the 1982 world wheat harvest to 476m tonnes from 467m in its previous report in November.

The 9m tonnes increase results mainly from higher-than expected crops in Argentina, Canada, China and India.

The IWC has also raised its estimate of world coarse grains production in 1982. At 784m tonnes, the new estimate is 3m tonnes above the November projection. The report attributes this principally to increased estimates for Canada and India.

Christopher Bobinski writes from Warsaw: Poland is no longer able to import grain, on credit, Mr Zbigniew Michalek, the Communist Party's Agriculture Secretary told a joint meeting of the Communist and Allied Peasant Party's leadership here.

The public admission signifies the foundering of official hopes for grain credits from Canada and France, and means that the planned imports of 4m tonnes of grain will have to be paid for in cash.

Costly grain credits mainly from the U.S., between 1976 and 198 0contributed to the rapid growth of Poland's hard currency debt now put at $24.7bn.

Last year, Mr Michalek said that just under $1bn had been spent on food imports to maintain consumption levels.

He said the authorities were hoping for grain deliveries from the Soviet Union and that Poland would not have to return a 500,000-tonne grain loan granted last year.

The drop in grain imports from 9m tonnes in 1981 to 4m tonnes this year and poor fodder supplies following last year's harvest means that a fall in animal production this year is unavoidable.

Australia levies for cotton research

FROM THE start of this year's harvest, Australian cotton growers are to pay a levy of A$1 a bale to fund a new cotton research scheme aimed at boosting productivity.

The scheme was announced yesterday by the Minister for Primary Industry, Mr Peter Nixon,

Salmon study for Falklands

FISH experts from Stirling University have gone to the Falkland Islands on a four-month investigation into setting up a salmon ranching programme there.

They will be studying the economic feasibility of the programme, which would be based on fattening salmon with a high protein diet, possibly from Falkland's sheepmeat.

● SALES of milk off farms in England and Wales for liquid consumption fell 1.28 per cent last year, according to provisional figures published yesterday by the Milk Marketing Board.

The sales total was 6.175m litres compared with 6,259.2m in 1981. December sales were 1.34 per cent down from the same 1981 month at 524.5m litres.

● DANISH bacon will be cheaper in the shops next week following the announcement yesterday of an £80 a tonne cut int he first-hand price. This is equivalent to 3½p a lb, but some cuts could be down 6p or 7p a lb. British curers announced a £70 a tonne price cut last week.

● LONDON COFFEE and gold markets closed shortly after 11 am yesterday, because of a bomb scare. Both markets reopened later.

● MR WILLIAM BIGGS has been elected president of the Grain and Feed Trade Association (Gafta).

● SOVIET sugar imports in the first nine months of last year rose sharply from 4.82m tonnes in the same period in 1981 to 7.05m tonnes in 1982, according to International Sugar Organisation figures.

● PANAMA and Venezuela are to sign a series of agricultural agreements which will include the sale by Panama of beef and dairy cattle.

● MINERO PERU Commercial (Minpeco) said it declared *force majeure* on shipments of copper cathodes because of a two-week-old miners' strike.

France offers a chance to the young farmer

FOR SOME time there have been stories in the farming Press of the opportunities offered for young farmers in France to take over farms of their own with the help of loans and grants backed by the Government.

This is entirely different from the situation in Britain, where the road for a young man into farming independence is confined to those with the opportunities presented by wealth, inheritance or a fortunate marriage into a farming family.

Some weeks ago I had the opportunity to visit the Limoges area in central France, where it had been reported such farms were available and that the applicants need not necessarily be French. Any Community national who fulfilled the conditions laid down could qualify. Would-be farmers must be under 35, with agricultural education and practical experience and, if a foreigner, must be prepared to stay on the farm for at least ten years.

The applicant would need assets of his own of around £30,000—a sizeable sum even in these inflationary days—on which he would be able to borrow an additional equivalent amount on 15-year loans at between 4¾ per cent and 9 per cent. Further grants of up to about £10,000 are conditional on remaining on the farm for at least ten years. The conditions attached to these loans are fairly complicated, and the foreigners (Dutch) who have taken land have relied on a Dutch company with a branch in Limoges to arrange things for them.

The basis of the scheme is French policy, which for many years has been determined to maintain the social structure of the rural areas and to avoid "desertification" of the countryside by either the building up of enormous holdings or by abandonment. The bodies responsible are partly government-financed and controlled, and appear to have the support of much of the farming population.

The key organisation is the Safer (Sociétés d'Aménagement Foncier et d'Establissement Rural). These now exist in every *department* in France, and their main task is broadly defined as land management.

They were set up in the early 1960s and their first priorities were to reform the fragmentation of holdings which had reached absurd propertions in some parts of the country.

The Safer I visited, Marche-Limousin, now monitors all land transactions in the area and has the right of pre-emption of any sale which could conflict with what it considers to be good land management.

Once it has been notified of a sale the Safer has two months to make up its mind on whether to let it go through or to purchase the land for subsequent disposal. It normally holds land for up to 18 months.

On average, this Safer acquires 40 per cent of all land sold in that area, and has a normal stock of about 8,000 hectares at any one time.

Placing young farmers is the task of Adasea (Associations Départementales pour L'Amenagement des Structures des Exploitations Agricoles). Its officials assess the young farmers to be helped and if satisfied with their qualifications, help them choose the farm and recommend that the agricultural bank (Credit Agricole) makes the loans. It will also monitor the farmer's progress.

Adsea also can recommend farmers for retirement and provide pensions.

Adasea says that up to 140 young farmers were being helped into farms every year. The recommended farm size for a family is 30 hectares (75 acres) as a minimum. The maximum that any individual could acquire to farm himself is 90 hectares. Larger holdings are the exception in France and are usually in multiple ownership.

I saw two farms which had recently been settled. In both cases the farmers had purchased a house, buildings and three hectares of nearby land. They had rented the balance. One, a Dutchman, rented from a fellow countryman who had purchased some nearby land as an investment, and the other, a Frenchman, rented from Groupement Foncier Agricole, an investment company whose participants are guaranteed a rent of between 2 per cent and 3 per cent of their investment, with the prospect of capital growth.

The rents are fixed on a formula comprising the price of the main products and the quality of the land. They both worked out at about £20 an acre. The farmers were horrified when I told them that in Britain they were fixed on a sort of auction system.

The young Frenchman had had capital of his own but had secured a mortgage on his father's farm. His total loans amounted to roughly £70,000 mainly invested in beef cattle. After a year though, he was runing into cash problems and was going to start milking 17 cows almost at once. I was surprised that Adasea had let him get in so deep with beef cattle, which are a rich man's job in any country.

Even if he succeeded, a young framer would have a hard run. The land was of good grass potential but on that acreage milk was the only answer. He might have to milk cows for 40 years unless the rules on acquisition of extra land are relaxed. But if I were a young man desperate for a farm of my own, I would at least go over there and have a look.

John Cherrington

PRICE CHANGES

In tonnes unless stated otherwise	Jan. 20 1983	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1060/1118	+5	$975/1005
Copper			
Cash h grade	£1000	—5	£922.5
3 mths	£1031.25	—6	£946.75
Cash Cathode	£964.5	—6	£884.5
3 mths	£994.75	—6.75	£912.5
Gold troy oz	$492.5	—4.5	$445.5
Lead Cash	£298.5	—3	£285.5
3 mths	£310.25	+0.75	£296.25
Nickel	£4384	......	£4155.5
Free mkt	176.205c	......	169/199c
Platin'm tr'y oz	‡	......	£260
Freemkt	£298.10	—1.05	£231.95
Quicksilver†	$345/355	+5	$350/360
Silver troy oz	815.15p	—19.50	660.10p
3 mths	836.65p	—20.50	676.10p
Tin Cash	£7692.5	+17.5	£7422.5
3 mths	£7682.5	+20	£7432.5
Tungsten	$90.21	—2.64	$102.80
Wolfrm 22.04 lb	$78/82	......	$78/82
Zinc Cash	£443.5	—6.5	£410.75
3 mths	£458.75	—6.5	£428.75
Producers	$800	......	$808

	Jan. 20 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$445z	—5	$460
Groundnut	‡	......	$425.5
Linseed Crude	£380w	—2.5	£308
Palm Malayan	$382.5w	—2.5	$375
Seeds			
Copra Philip	‡	......	$300
Soyabean (U.S.)	$240	—3	$236.5
Grains			
Barley Fut. Mar	£115.40	—0.55	£114.40
Maize	£146.00y	......	£144.50
Wheat Fut. Mar	£123.00	—0.55	£120.55
No.2 Hard Wint	‡	......	‡
Other commodities			
Cocoa ship't*	£1239	—15	£1130
Future May	£1208.5	—13	£1099.5
Coffee Ft' Mar	£1661	+17.5	£1595.5
Cotton A.Index	72.85c	+0.8	70.30c
Gas Oil Feb	$277.5	+4.25	$279.75
Rubber (kilo)	54.5p	—0.5	49.75p
Sugar (Raw)	£100xw	+1	£102
Woolt'ps 64s kl.	385p kilo	......	372p kilo

‡ Unquoted. w March. y Feb. x Jan-Feb. z Feb-March. † Per 76-lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	31.00-31.50	+0.43
Iranian Light	29.40-30.06	+0.45
Arabian Heavy	29.00-29.50	+0.30
North Sea (Forties)	31.20-31.50	+0.33
African (Bonny L'ht)	31.85-32.50	+0.25
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	295-297	—
Gas oil	272-283	+1.5
Heavy fuel oil	163-166	—

GAS OIL FUTURES

Increasing confidence in an Opec production agreement helped fuel a rally, with prices moving out of the recent range in good volume and closing steady, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Jan	284.50	+4.75	284.50-80.00
Feb	277.50	+4.25	277.75-73.75
March	272.50	+5.50	273.00-67.75
April	267.25	+5.75	267.50-62.75
May	265.00	+5.75	265.25-60.50
June	264.50	+5.25	265.50-60.25
July	265.75	+5.75	—
Aug	266.50	+8.50	—
Sept	269.75	+9.75	—

Turnover: 3,650 (1,123) lots of 100 tonnes.

GOLD MARKETS

Gold closed at the day's high of $492-493, but was down $4¼ from the previous close. It opened at $488¾-489¾ and was fixed at $487.50 in the morning, and $487.25 in the afternoon. The lowest point touched was $485½-486½.

In Paris the 12½ kilo gold bar was fixed at FFr 108,450 per kilo ($493.25 per ounce) in the afternoon, compared with FFr 108,150 ($488.56) in the morning, and FFr 109,500 ($497.45) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 37,820 per kilo ($487.51 per ounce) against DM 38,820 ($499.96) previously, and closed at $488½-490, compared with $495-496.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $487 per ounce, against $498.50.

In Zurich gold finished at $491-492, compared with $495-498.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
January	492.00-93.0	—3.750	—
February	493.90-94.5	—2.800	495.00-87.0
March	497.00-98.0	—4.200	496.00-92.4
April	501.70-02.5	—2.800	502.70-94.5
May	505.00-06.0	—3.000	—
June	508.00-08.8	—3.600	507.60-02.8
July	510.00-14.0	—4.000	—

Turnover: 1,510 (2,028) lots of 100 troy ounces.

	Jan. 20		Jan. 19	
Gold Bullion (fine ounce)				
Close	$492-493	(£314-314¾)	$496½-497½	(£315½-316¼)
Opening	$488¾-489¾	(£311¼-312½)	$499½-500½	(£318-318¾)
Morning fixing	$487.50	(£311.203)	$497.75	(£317.200)
Afternoon fixing	$487.25	(£310.252)	$495.50	(£315.003)

Gold Coins Jan. 20					
Krugrnd	$505-506	(£322-322¾)	King Sov	$118-120	(£75¼-76¾)
½ Krug	$260½-261½	(£166¼-168¾)	Victoria Sov	$118-120	(£75¼-76¾)
¼ Krug	$132½-133½	(£84½-85¼)	French 20s	$104¼-106¼	(£66½-67¾)
1/10 Krug	$54-55	(£34½-35)	50 pesos Mex	$588-591	(£375-377)
Mapleleaf	$505-507	(£322-323¼)	100 Cor. Aust	$477½-481½	(£304¼-307¼)
New Sov	$115½-116½	(£73¾-74¼)	$20 Eagles	$565-575	(£360¼-366¾)
½ New Sov	$66-67	(£42-42¾)			

EURO. MARKETS

ROTTERDAM, Jan 20.

Wheat—(U.S. $ per tonne): U.S. No Two Red Winter Jan 155, Feb 156, Mar 157, April 165. U.S. No Three Amber Durum April/May 172, June 173, July 174. U.S. No Two Northern Spring 14 per cent Feb 165.50, Mar 166.50, April/May 170.50, June 171. Canadian Western Red Spring April/May 194.

Maize—(U.S. $ per tonne): U.S. No Three Yellow afloat 121, Jan 121, Feb 120, Mar 120, April/June 123, July/Sept 126, Oct/Dec 127.50 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports Jan 233.50, Feb 234.25, Mar 236, April 239, May 241.25, June 243.25, July 245.25, Aug 248.50, Sept 246.90, Oct 242.80, Nov 242.60, Dec 247, Jan 251.50 sellers: Argentine June 240.80, July 241.20, sellers.

Soyameal—(U.S. $ per tonne): 44 per cent Feb/Mar 215, Nov/Mar 224 traded; afloat 215, Jan 215, Feb/Mar 215, April/Sept 215.50, Nov/Mar 224 sellers. Pellets Brazil Jan 233, Feb/Mar 232, April/Sept 224 sellers.

PARIS, Jan 20.

Cocoa—(FFr per 100 kg): Mar 1308/1310, May 1338/1347, July 1350/1370, Sept 1360 bid, Dec 1380/1400, Mar 1405 bid, May 1430 bid. Sales at call: one.

Sugar—(FFr per tonne): Mar 1485/1486, May 1500/1505, July 1545/1560, Aug 1575/1580, Oct 1600/1615, Nov 1600/1615, Dec 1655/1675, Mar 1745/1755. Sales at call: Two.

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES remained nervous on the London Metal Exchange. Copper moved erratically between £1,021 and £1,034.5 prior to closing the late Kerb at £1,033 with the market boosted in afternoon trading by a sharp rally on Comex. Lead and Zinc mirrored this trend with the latter finally £311 and the former £460.5. Talk of strong support from the buffer stock manager lifted Tin to £7,722.5.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
HighGrde	£	£	£	£
Cash	1000.5-1	—18.7	999.5-1000.	—5
3 months	1031.5-2	—18.5	1031-.5	—6
Settlem't	1001	—17	—	......
Cathodes				
Cash	964-5	—17	964-5	—6
3 months	9955.-	—16.5	994.5-5	—6.75
Settlem't	965	—17	—	......
U.S. Prod.	—	—	*74-74	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1000.50, three months £1033, 33.50, 33, 34, 33, 32, 31.50. Cathodes: Cash £998. Three months £985, 64.50. Kerb: higher grade: Three months £1028, 29, 28.50, 28, 27, 26, 25.50, 26, 26.50, 27. Afternoon: Higher Grade: Three months £1027.50, 28, 28.50, 29, 29.50, 32, 31.50, 32, 32.50, 32, 31.50. Cathodes: Cash £964. Kerb: higher grade: Three months £1032, 33, 33.50, 34, 34.50, 34, 33, 32, 31.50, 32. Turnover: 44,850 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7675-5	+6.5	7690-5	+17.5
3 months	7660-5	—6	7680-5	+20
Settlem't	7675	+5	—	......
Standard				
Cash	7673-5	+6.5	7690-5	+17.5
3 months	7660-5	—5	7680-5	+20
Settlem't	7675	+5	—	......
Straits E.	$29.15	......	—	......
NewYork				

Tin—Morning: Standard: Cash £7675, 72, 75. Three months £7660, 65, 62, 60. Kerb: Standard: Three months £7760. Afternoon: Standard: Three months £7760, 70, 65, 80. Kerb: Standard: Three months £7690, 7700, 10, 20, 05, 7700, 10, 15, 20, 25. Turnover: 3,005 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	298-9	—5.87	298-9	—5
3 months	310-.5	—5.87	310-.5	—5.25
Settlem't	299	—5.5	—	......
U.S. Spot	—	......	*21-28	......

Lead—Morning: Three months £313, 14, 12.50, 12, 11, 10.50, 11, 10, 10.50, 10. Kerb: Three months £310. Afternoon: Three months £309, 08.50, 09, 09.50, 10, 10.50. Kerb: Three months £311, 12, 11. Turnover: 19,825 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	441-2	—12.5	443-4	—6.5
3 months	456-7	—12.7	458.5-9	—6.5
Settlem't	442	—12.5	—	......
Primw'ts	—	......	*38.75-40.7	......

Zinc—Morning: Three months £459, 59.50, 59, 57.50, 57, 56, 56.50, 57. Kerb: Three months £456, 55, 55.50. Afternoon: Three months £456.50, 58.50, 58.75, 58.50. Kerb: Three months £459, 60, 61, 60, 60.50. Turnover: 34,075 tonnes.

ALUMINIUM

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	693-.5	—4.75	693-4	—2
3 months	715.5-6	—4.5	715.5-6.5	—3

Aluminium—Morning: Three months £717, 17.50, 17, 16.50, 16, 15.50. Kerb: Three months £715.50, 16, 15. Afternoon: Three months £716, 15.50, 16. Kerb: Three months £717, 18, 17.50, 17, 16.50, 16, 16.50. Turnover: 22,325 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2420-30	—45	2415-30	—25
3 months	2495-500	—42.5	2490-510	—21.5

Nickel—Morning: Three months £2500, 10, 05, 2500, 2495. Kerb: Three months £2490. Afternoon: Three months £2500, 2495, 2490, 95. Kerb: Three months £2505, 10, 05. Turnover: 516 tonnes.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 19.5p an ounce lower for spot delivery in the London bullion market yesterday at 815.15p. U.S. equivalents of the fixing levels were: spot $12.798, down 31c; three-month $13.067, down 32.1c; six-month $13.364, down 31.3c; and 12-month $13.963, down 29.3c. The metal opened at 814-816p ($12.76-$12.80) and closed at 816-818p ($12.76-$12.82).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	815.15p	—19.5	818.5p	—18
3 months	836.65p	—20.5	839.75p	—12.5
6 months	858.45p	—20.7	—	......
12 months	902.55p	—20.2	—	......

LME—Turnover 161 (150) lots of 10,000 ozs. Morning: Three months 838.0, 37.0, 35.5, 35.0, 32.0, 32.5. Kerb: three months 830.0, 31.0, 32.0, 33.0. Afternoon: three months 833.0, 33.5, 34.0, 35.0, 38.0, 40.0, 39.5. Kerb: three months 841.0, 42.0, 43.0, 42.0.

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1197-99	—15.5	1203-190
May	1208-09	—13.0	1211-196
July	1220-21	—16.0	1223-10
Sept	1231-32	—16.0	1232-20
Dec	1247-48	—17.0	1250-39
March	1267-69	—15.5	1269-59
May	1283-86	—18.5	—

Sales: 4,989 (6,872) lots of 10 tonnes.

ICCO—Daily price for Jan 20: 81.80 (83.03). Indicator price for Jan 21: 82.50 (82.29).

COFFEE

New contract highs were established during a fairly active opening, reports Drexel Burnham Lambert. Gains were extended in moderate volume before a disappointing New York prompted a return to the lower levels.

COFFEE	Yest'day's Close	+ or —	Business Done
January	1855-60	+35.0	1875-42
March	1660-62	+17.5	1677-50
May	1559-60	+6.0	1573-58
July	1470-71	+5.0	1479-70
Sept	1412-14	+4.5	1425-10
Nov	1365-69	+2.0	1385-60
January	1336-44	+10.0	1360-44

Sales: 4,497 (3,337) lots of 5 tonnes.

ICO indicator price for Jan 19 (U.S. cents per pound): Comp. daily 1979 128.52 (128.19); 15-day average 128.55 (128.81).

GRAINS

The market opened easier but jobber buying and some short-covering returned wheat to unchanged before profit-taking and long liquidation forced values back to the opening levels. There was further liquidation caused by fears of a low export rebate grant, Acli reports.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yest'rd'ys close	+ or —
Jan	122.50	—0.50	114.85	—0.10
Mar	123.00	—0.65	115.40	—0.55
May	124.90	—0.60	117.30	—0.60
July	126.80	—0.60	—	—
Sep	115.05	+0.05	108.55	—0.20
Nov	118.05	+0.05	111.55	—0.20

Business done—Wheat: Jan 122.50 only, Mar 123.65-3.60, May 125.50-4.70, July 127.40-6.80, Sept 115.05-4.95, Nov 118.00-7.95. Sales: 313 lots of 100 tonnes. Barley: Jan untraded, Mar 115.85-5.40, May 117.65-7.35, Sept 108.55 only, Nov untraded. Sales: 75 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent, Jan 127.75, Feb 129.25, March 130.75 transhipment East Coast sellers. English Feed fob, Jan 123.00, Feb 125.00, March 126.50 East Coast sellers. Maize: French, Feb 146.00 transhipment East Coast seller. S. African White/Yellow, March/April 97.50 seller. Barley: English Feed fob, Jan 119.50 Feb 121.25, March 121.50, April/June 121.00 East Coast seller. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: S. East 114.00, S. West 114.10, W. Mids 113.00, N. West 113.00. The UK monetary coefficient for the week beginning Monday January 24 is expected to remain unchanged.

POTATOES

The market continued inactive, closing slighly firmer, reports Coley and Harper.

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
Feb	69.10	68.10	69.10-68.10
April	84.50	84.50	85.00-84.00
May	87.70	87.30	88.30-87.10
Nov	66.80	67.30	67.00
Feb	76.50	76.50	—

Turnover: 272 (283) lots of 40 tonnes.

RUBBER

The London physical market opened about unchanged, attracted little interest throughout the day and closed slightly steadier. Lewis and Peat reported a February fob price for No 1 RSS in Kuala Lumpur of 190.5 (191.75) cents a kg and SMR 20 172.5 (173.0).

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
	£ per tonne		
Feb	547-551	554-560	—
Mar	555-557	562-568	557
Apl-Jne	567-568	573-574	567-564
Jly-Sept	588-590	594-595	590-586
Oct-Dec	607-608	609-610	609-604
JanMch	627-628	631-632	636-627
Apl-Jne	649-650	652-654	—
Jly-Sept	672-673	674-677	—
Oct-Dec	692-695	702-708	—

Sales: 168 (346) lots of 15 tonnes, 9 (3) of 5 tonnes.

Physical closing prices (buyer) were spot 54.50p (55.00p); Feb 56.75p (56.50p); March 57.25p (57.00p).

SOYABEAN MEAL

The market opened slightly easier on weaker cash markets, reports T. G. Roddick. Prices remained steady at lower levels on commission house buying.

	Yesterdy's Close	+ or —	Business Done
	£ per tonne		
Feb	144.50-45.5	—0.80	144.80
April	145.00-45.4	—0.60	145.20-45.20
June	144.00-44.4	—0.85	144.00
August	145.00-45.4	—0.85	—
October	146.50-47.2	—0.55	148.00-46.50
Dec	149.00-50.0	—1.00	149.50
Feb	149.00-52.5	—1.25	—

Sales: 47 (15) lots of 100 tonnes.

SOYABEAN OIL—The market opened $3.00 lower and drifted on trade selling. Close (U.S. $ per tonne): Feb 405.00, 410.00, 410.00; April 414.00, 417.00, 415.00-414.50; June 426.50, 428.00, 430.00-424.50; Aug 431.00, 437.00; Oct 437.00, 444.00; Dec 442.00, 452.00; Feb 446.00, 457.00; (Aug-Feb untraded). Sales: 129 (46) lots of 25 tonnes.

SUGAR

LONDON DAILY SUGAR—Raw sugar £100.00 (£99.00) a tonne cif Jan-Feb-March shipment. White sugar £136.00 (£137.00).

Prices were confined within a narrow range in dull trading conditions, reports C. Czarnikow.

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
March	105.55-05.40	105.20-05.25	106.25-04.40
May	112.45-12.50	111.70-11.75	112.60-10.80
Aug	120.40-20.50	119.40-19.50	120.40-19.25
Oct	126.25-26.35	125.55-25.40	126.25-25.25
Dec	132.75-32.95	130.50-32.40	133.00-32.00
March	140.25-40.30	138.00-40.05	140.25
May	142.50-45.75	146.00-47.00	—

Sales: 1,908 (3,258) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £206.00 (£204.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Jan 19: Daily price 5.89 (5.94); 15-day delivery 5.97 (6.00).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order, buyer, seller, business). New Zealand cents per kg. Jan seller 380, nil; Mar 361, 363, 363-362; May 372, 374, 373-372; Aug 386, 388, 387-386; Oct 395, 397, 394; Dec 399, 404, 400-398; Jan 402, 408, 402-400; Mar 412, 416, 412-408; May 418, 422, 414. Sales: 77.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. March 536.5, 536.0, 536.0-532.5; May 552.5, 553.0, 552.8-550.5; July 562.0, 563.0, 564.0-560.0; Oct 548.0, 550.0, 550.0-547.0; Dec 550.0, 552.0, 551.0-548.5; March 557.0, 558.0, 559.0-555.5; May 568.0, 569.0, untraded; July 577.0, 580.0, 579.0. Sales: 162.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 103 tonnes. Useful contracts were under review, but the turnover was below the extensive scale recorded earlier in the week. Notable among the growths sought were supplies from Turkey and Russia, while modest interest was shown in African qualities.

HIDES

HIDES—Manchester. Second clears. Ox. 31-35.5 kg, 63.3p a kg withdrawn (63.5p withdrawn); 26-30.5 kg, 73.6p a kg (74.1p); 22-25.5 kg, 83.3p a kg (83.6p). Light cows: 25.5 kg, 80.3p a kg (79.0p).

MEAT/FISH

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 82.1 to 86.1; Ulster hindquarters 97.0 to 100.0, forequarters 59.0 to 62.0. Veal: Dutch hinds and ends 136.0 to 140.5. Lamb: English small 70.5 to 74.0, medium 67.0 to 71.0, heavy 60.0 to 63.0; Scotch heavy 60.0 to 63.0; Imported: New Zealand PL 50.5 to 51.5, PM 49.0 to 50.0. Pork: English, under 100 lb 35.5 to 50.5, 100-120 lb 43.0 to 49.5, 120-160 lb 34.0 to 46.0.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 93.30p per kg lw (−1.24). GB—Sheep 157.12p per kg est dcw (+5.78). GB—Pigs 64.59p per kg lw (−2.33).

GRIMSBY FISH — Supply poor, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £7.00-£8.00, codlings £4.00-£5.20; Large plaice £5.80, medium £5.50-£6.00, best small £4.60-£5.10; Lemon sole (small) £4.00-£5.00; rockfish £3.80.

INDICES

FINANCIAL TIMES

Jan. 18	Jan. 17	M'th ago	Y'ar ago
249.01	250.00	238.18	248.98

(Base: July 1 1952 = 100)

REUTERS

Jan. 20	Jan. 19	M'th ago	Y'ar ago
1621.4	1628.6	1580.6	1614.8

(Base: September 18 1931 = 100)

MOODY'S

Jan. 19	Jan. 18	M'th ago	Y'ar ago
1045.6	1044.7	999.3	1001.7

(December 31 1931 = 100)

DOW JONES

Dow Jones	Jan. 19	Jan. 18	Month ago	Year ago
Spot	142.50	143.03	134.04	133.54
Fut'rs	146.62	149.16	138.70	126.32

(Base: December 31 1974 = 100)

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Satsumas—Spania: 10-kg 3.60-4.00. Oranges—Spania: Navels 3.80-5.50; Jaffa: Shamouti 40 4.80, 50 4.90, 60 5.05, 75 5.15, 88 5.15, 105 4.85, 123 4.60, 144 4.40, 168 4.30. Navels 40 4.30, 50 4.60, 60 4.75, 75 4.80, 88 4.90, 105 4.65, 123 4.50, 144 4.40, 168 4.25; Moroccan: Navels 3.30-5.00. Seville—Spanish: 40-lb 7.60-8.00. Lemons—Turkish: 80/150 3.50-4.30; Cyprus: 9-kg 2.80-4.20; Spania: Tray 5-kg 25/50 1.80-2.40. Grapefruit—Cyprus: 27/56 2.80-4.00; Jaffa: 64 3.90, 75 3.80, 88 3.60, Ruby 5.50-6.60; U.S.: Ruby 6.50-8.00 according to size. Clementines—Moroccan: 5.30-6.00. Apples—French: Golden Delicious 18-kg 5.00-6.50; Starkcrimson 18-kg 4.00-5.00. Granny Smith 18-kg 5.50-7.00; U.S.: Red Delicious 9.50-14.00; Canadian: 11.00-12.60. Pears—Dutch: Comica 14-lb 3.85-4.00, Conference 12-kg 3.60-3.70; Italian: Passacrassana 12/14-lb, per pound 0.14-0.18. Peaches—CAPS: 4.50-6.00. Nectarines—Brazilian: Single layer 9.00. Grapes—Spanish: Almeria 2.00-2.60, Napoleon 3.00-3.80; CAPE: Sultana 11-lb 8.60-9.00, Queen of the Vineyard 11-lb 6.50-7.00; U.S.: Red Emperor per pound 0.55-0.65. Strawberries—Israeli: 8-oz 1.50. Sharon Fruit—Israeli: 1.20-1.50. Plums—CAPE: Santa Rosa 11-lb per box according to size 2.80-5.00, Gaviota 3.50-5.00, Wickson 3.50-4.50, Rubinel 3.00-4.00, Harry Pickstone 2.50-5.00. Melons—Spanish: Green 10-kg 5.00-7.00; Brazilian: Yellow 10-kg 8.00-10.00. Pineapples—Ivory Coast: 20s 0.45, 12'C 0.60, 12'B 0.75-0.80, 6s 1.20; S. African: 6/7 6.00; Ghanaian: Each 1.00-1.40 according to size. Bananas—Colombian: 40-lb boxes 8.20-8.40. Avocados—U.S.: 6.50-7.00; Israeli: 3.00-3.80; Canary: 4.60-5.00. Paw Paws—Brazilian: 6.00-7.00. Kiwifruit—New Zealand: 8.00-8.50. Mangoes—Brazilian: 7.00; Kenyan: 6.00; S. African: 7.00. Litchees—S. African: Per pound 1.00. Asparagus—U.S.: Per pound 3.20-5.00. Fennel—Italian: 20-lb 4.00. Sugar Peas—Moroccan: 7-lb 6.00. Tomatoes—Spanish: 6-kg 2.00-3.50; Canary: 3.50-5.00. Lettuce—Dutch: 12s 2.80-3.00, 24s 3.40-4.40. Celery—Spanish: 5.50-6.00; Italian: 5.50-6.50. Calabrese—Italian: Tray 5-kg 3.00-4.00. Artichokes—Egyptian: 24s 8.00; Cyprus: 10s 4.00. Aubergines—Canary: 6-kg 4.50-5.00. Onions—Spanish: Grano 5.80-6.20; Polish: 2.60. Capsicums—Canary: Green 5.50-6.00, Red 7.00-7.50; Israeli: Red 7.50. Cabbages—Dutch: Red 3.00-3.20, White 2.60-2.80. Courgettes—Kenyan: 6-lb 4.20-4.50; Spanish: 11-lb 5.50. Cucumbers—Canary: 5.60-6.00. Chicory—Belgian: 5-lb 2.00-2.20. Potatoes—Jersey: Per pound new 0.80; Italian: 20-lb 3.00-3.20; Canary: 25-kg mids 8.50, ware 7.70; Cyprus: 44-lb bag 5.00-6.20, 27½-lb boxes 5.20-5.50. Cauliflowers—French: 24s 4.50-5.00; Jersey: 24s 5.00. Dates—Tunisian: 30 x 8-oz 0.45-0.62. Fresh Dates—Israeli: 11-lb 6.20.

English Produce: Apples—Per pound Bramley 0.06-0.15, Cox's 0.12-0.26, Russets 0.14-0.24, Spartan 0.08-0.16, Crispin 0.08-0.14. Pears—Per pound, Conference 0.10-0.20, Comice 0.10-0.22. Potatoes—Per bag 2.20-2.80. Mushrooms—Per pound open 0.40-0.50, closed 0.40-0.80. Lettuce—Per pound 1.20-1.80. Onions—Per 55-lb 1.80-2.80. Pickling Onions—Per 55-lb 3.00-3.50. Cabbages—Per 25-lb 1.00-1.50, per 28/30-lb White/Red 1.50-2.40. Greens—Per 28-lb Kent 1.50-2.40. Brussels Tops—Per 28-lb 1.60-2.00. Sprouts—Per 20-lb 0.80-1.50. Carrots—Per 25/28-lb 0.80-1.40. Turnips—Per 28-lb 1.40-1.60. Swedes—Per 28-lb 0.80-1.20. Parsnips—Per 28-lb 1.20-1.60. Leeks—Per 10-lb 1.40-1.50. Cauliflowers—Kent per 12 2.00-2.50. Rhubarb—Per pound Yorkshire 0.28-0.30.

AMERICAN MARKETS

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
March	1663	1698	1655	1661
May	1701	1737	1685	1705
July	1738	1765	1735	1738
Sept	1758	1786	1750	1765
Dec	1780	1809	1792	1788
March	1810	—	—	1818

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
March	127.66	128.95	127.55	128.62
May	124.03	125.00	123.80	124.85
July	121.38	122.00	121.40	121.75
Sept	119.00	120.00	118.90	119.75
Dec	117.00	117.00	116.50	117.00
March	114.75	—	—	114.12
May	112.75	113.00	113.00	113.57

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Jan	72.25	—	—	71.90
Feb	72.50	—	—	72.15
March	73.15	73.80	72.10	72.80
May	74.35	75.00	73.35	73.95
July	75.55	76.15	74.40	75.10
Sept	76.60	77.10	75.50	76.10
Dec	78.10	78.80	77.05	77.55
March	79.65	80.10	78.75	79.05
May	80.70	81.00	79.80	80.05
July	81.75	82.10	80.70	81.05

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
March	66.28	66.55	66.25	66.21
May	67.52	67.80	67.50	67.45
July	68.52	68.68	68.35	68.34
Oct	67.90	68.15	68.05	67.80
Dec	68.51	68.65	68.28	68.28
March	69.75	69.85	69.85	69.65
May	70.50	—	—	70.40
July	70.70	—	—	70.65

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Feb	492.5	497.0	487.5	489.6
March	496.0	498.0	491.5	493.0
April	499.7	504.0	495.0	496.7
June	506.8	511.5	502.5	503.8
Aug	514.3	517.0	510.0	511.3
Oct	522.2	523.1	519.0	519.2
Dec	530.2	535.5	527.0	527.2
Feb	538.3	541.0	535.0	535.3
April	546.6	550.5	546.0	543.6
June	555.0	552.5	552.0	552.0
Aug	563.5	—	—	560.5
Oct	572.3	—	—	569.3

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
Feb	85.57	85.70	84.65	84.00
March	85.05	85.10	83.80	83.18
April	83.17	83.17	81.80	81.17
May	81.90	81.90	80.70	79.90
June	81.90	81.90	80.80	79.90
July	81.80	81.80	80.79	79.80
August	81.70	81.70	81.70	79.70
Sept	82.75	82.95	82.75	—
Oct	84.20	—	—	82.20
Nov	85.30	—	—	83.30

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Jan	462.3	464.0	463.0	456.2
Feb	468.8	—	—	462.7
March	468.8	472.0	463.0	462.7
April	468.8	476.0	461.0	462.7
July	473.8	482.0	466.0	467.9
Oct	480.8	486.0	475.0	475.2
Jan	488.8	481.0	480.0	483.2
April	496.8	497.5	494.0	491.2

SILVER 5,000 troy oz— cents/troy oz

	Close	High	Low	Prev
Jan	1287.5	1297.0	1280.0	1270.5
Feb	1290.5	—	—	1274.5
March	1299.0	1310.0	1278.0	1283.0
May	1319.5	1330.0	1300.0	1303.0
July	[illegible]	1350.0	1320.0	[illegible]
Sept	1361.5	1372.0	1345.0	1344.0
Dec	1394.5	1407.0	1375.0	1377.0
March	1429.0	1438.0	1413.0	1410.0
May	1452.0	1445.0	1445.0	[illegible]
July	1476.0	—	—	1454.0

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
March	6.24	6.25	6.16	6.23
May	6.69	6.70	6.64	6.71
July	7.04	7.07	6.97	7.04
Sept	7.39	7.39	7.30	7.38
Oct	7.63	7.66	7.56	7.59
March	8.65	8.65	8.62	8.59
May	8.90	8.90	8.87	8.90

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
March	110.00	111.00	107.20	109.90
May	110.90	111.80	107.90	108.40
July	112.20	112.80	109.00	109.70
Sept	113.40	113.50	110.00	110.50
Nov	114.30	112.30	111.50	111.60
Jan	115.30	114.20	112.00	112.60
March	116.30	113.80	113.20	113.50
May	117.20	—	—	114.20

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Feb	58.95	59.70	58.60	59.55
April	60.30	60.90	60.15	60.75
June	62.22	62.50	62.10	62.12
August	61.30	61.57	61.10	61.25
Oct	59.92	60.25	59.60	59.75
Dec	61.17	61.25	61.00	61.20

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Feb	58.32	58.52	57.70	57.67
April	55.25	55.40	54.55	54.90
June	56.75	56.80	56.10	56.12
July	56.92	57.00	56.20	56.47
Aug	54.92	55.00	54.35	54.50
Oct	50.45	50.70	50.05	50.20
Dec	50.10	50.30	50.00	50.05
Feb	48.70	49.47	48.20	48.50
April	46.50	46.50	45.70	46.25

MAIZE 5,000 bu min— cents/56lb-bushel

	Close	High	Low	Prev
March	256.0	256.6	254.6	255.2
May	264.2	265.4	263.6	264.6
July	273.0	273.6	272.0	273.0
Sept	275.6	276.4	275.0	276.0
Dec	282.0	282.6	281.2	282.0
March	292.0	292.6	291.2	292.2
May	298.4	299.4	298.0	298.4

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	84.05	84.20	82.60	82.60
March	82.85	82.97	81.70	81.72
May	82.37	82.55	81.45	81.47
July	80.60	80.65	79.70	79.87
Aug	77.80	77.90	76.95	76.97
Feb	68.90	69.00	68.15	68.10
March	67.30	67.30	67.30	67.30

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Jan	581.0	584.4	579.0	578.0
March	590.3	593.4	588.0	588.4
May	601.0	604.3	599.0	598.4
July	611.0	613.0	608.4	608.2
August	612.4	614.0	610.0	611.0
Sept	612.0	613.0	610.0	611.6
Nov	617.0	619.4	616.0	616.6
Jan	628.4	631.4	628.0	627.4
March	643.0	645.0	639.0	642.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Jan	177.5	180.8	[illegible]	[illegible]
March	180.0	180.4	[illegible]	[illegible]
May	181.4	181.5	[illegible]	[illegible]
July	183.0	183.3	[illegible]	[illegible]
August	182.5	183.3	[illegible]	[illegible]
Sept	183.0	184.0	[illegible]	[illegible]
Oct	183.5	184.0	[illegible]	[illegible]
Dec	186.0	186.5	[illegible]	[illegible]
Jan	187.5	187.5	[illegible]	[illegible]

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Jan	16.73	16.93	[illegible]	[illegible]
March	17.01	17.14	[illegible]	[illegible]
May	17.38	17.55	[illegible]	[illegible]
July	17.80	17.95	[illegible]	[illegible]
August	17.97	18.10	[illegible]	[illegible]
Sept	18.10	18.25	[illegible]	[illegible]
Oct	18.30	18.40	[illegible]	[illegible]
Dec	18.50	18.70	[illegible]	[illegible]
Jan	18.70	—	—	[illegible]
March	19.00	—	—	[illegible]

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
March	333.0	337.4	[illegible]	[illegible]
May	342.0	346.4	[illegible]	[illegible]
July	349.6	353.4	[illegible]	[illegible]
Sept	359.4	363.4	[illegible]	[illegible]
Dec	375.6	379.4	[illegible]	[illegible]
March	389.4	393.0	389.0	[illegible]

SPOT PRICES—Chicago loose lard 14.50 (same) cents per pound. New York tin 567.0-60.0 (554.0-57.0) cents per pound.

Nut problem

● CASHEW processing factories in the southern Indian State of Karnataka have temporarily suspended production and large stocks of cashews have built up due to uncertainty about future exports to the Soviet Union.

Moscow traditionally buys more tha ntwo-thirds of India's cashew exports, but the 1983 trade agreement signed between the two countries makes no mention of cashew quantities. The Soviet Union has warned India it will correct its adverse trade balance by cutting down on some imports.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

TRADED OPTIONS

EUROPEAN OPTIONS EXCHANGE

Series		Mar. Vol.	Last	Jun. Vol.	Last	Sep. Vol.	Last	Stock
D FL C	F.265	26	3.80	—	—	—	—	F.264.75
D FL C	F.270	3	2.90	17	3.70	6	6	"
D FL C	F.275	—	—	—	—	2	—	"
D FL P	F.260	2	4	29	8.50	—	—	"
D FL P	F.265	113	6.70	2	11.50	—	—	"
D FL P	F.270	5	8.50	—	—	—	—	"
D FL P	F.280	1	16.50 B	1	21 B	—	—	"
		Feb.		May		Aug.		
GOLD C	$350	5	144	3	149 B	—	—	$487.25
GOLD C	$425	10	67	—	—	—	—	"
GOLD C	$450	75	48	4	70	50	85	"
GOLD C	$475	53	28	16	52	4	70	"
GOLD C	$500	45	15	53	39	18	62	"
GOLD C	$550	319	6 A	128	22	—	—	"
GOLD P	$400	4	0.40	2	2.50	—	—	"
GOLD P	$425	5	0.40	6	5	—	—	"
GOLD P	$450	15	3	9	9	5	17	"
GOLD P	$475	10	12	29	17	2	25	"
GOLD P	$500	23	19	2	32	—	—	"
GOLD P	$550	—	—	5	67	—	—	"
12¾ NL 81 87-91								
C	F.115	100	17	—	—	—	—	F.132.20
C	F.120	100	12	—	—	—	—	"
C	F.127.50	—	—	—	—	60	5.80	"
C	F.130	239	3 A	30	3.90	20	5.50	"
C	F.135	230	1.20	272	1.80	—	—	"
C	F.140	—	—	20	1	—	—	"
P	F.130	20	1	230	2	—	—	"
P	F.135	300	3.50	—	—	—	—	"
10¾ NL 80 86-95								
P	F.115	—	—	—	—	60	4.50	F.114.90
11¼ NL 82 88-92								
C	F.110	50	6.70	—	—	—	—	F.116.90
C	F.112.50	50	4	—	—	—	—	"
C	F.117.50	40	1.20	—	—	—	—	"
C	F.120	320	0.50	—	—	—	—	"
P	F.117.50	41	1.80	—	—	—	—	"
10 NL 82 86-89								
C	F.107.50	—	—	100	4.50 B	—	—	F.112.70
C	F.110	—	—	10	3 B	—	—	"
7¾ NL 82 89-93								
C	F.102.50	—	—	306	1.20	—	—	F.100
P	F.102.50	—	—	14	3.10	—	—	"
7½ NL 83 87-90								
C	F.100	—	—	62	1.40	—	—	"
P	F.100	—	1.20	560	1.40	—	—	"
		Jan.		April		July		
ABN C	F.280	24	17	—	—	—	—	F.296
ABN C	F.300	32	0.20	46	10.50	—	—	"
ABN C	F.320	—	—	45	3.30	—	—	"
AKZO C	F.32.50	59	3.20	—	—	—	—	F.36
AKZO C	F.35	29	1	56	3	30	3.20 B	"
AKZO C	F.40	—	—	46	1.30	—	—	"
AKZO P	F.32.50	—	—	76	1	—	—	"
AKZO P	F.35	—	—	133	2.20	67	3	"
AMRO P	F.45	—	—	30	3.60	—	—	F.46
HOOG C	F.15	43	110 B	—	—	—	—	F.16.20
HOOG C	F.17.50	—	—	34	1	—	—	"
KLM C	F.120	34	33.50	—	—	—	—	F.153.30
KLM C	F.130	33	22	—	—	—	—	"
KLM C	F.140	84	14	42	22	—	—	"
KLM C	F.150	125	4.20	90	16.50	27	20	"
KLM P	F.100	—	—	58	1.80	—	—	"
KLM P	F.110	—	—	—	—	35	6.50 A	"
KLM P	F.140	—	—	42	9.70	—	—	"
KLM P	F.150	181	0.10	120	15.10	—	—	"
NEDL P	F.90	—	—	33	4.50	—	—	F.95.50
NEDL P	F.100	26	4	58	8.50	—	—	"
NATN C	F.115	29	11.50	—	—	—	—	F.125.70
PHIL C	F.25	103	4	34	4.30	—	—	F.29.40
PHIL C	F.27.50	154	1.70 B	85	2.60	7	3.50	"
PHIL C	F.30	55	0.10	177	1.50	119	2	"
PHIL C	F.32.50	—	—	175	0.70	127	0.90	"
PHIL P	F.27.50	—	—	190	0.80	20	1.30 A	"
PHIL P	F.30	356	0.70	72	2	45	2.50	"
RD C	F.90	140	10	67	12	45	12.50 B	F.100.30
RD C	F.100	961	0.80	122	5.30	83	6.40	"
RD P	F.90	—	—	59	2	38	3.10	"
RD P	F.100	175	0.90 A	90	5.50	2	7.80	"
UNIL C	F.200	60	0.30	65	7.20	5	10.70	F.197.50

TOTAL VOLUME IN CONTRACTS 10,391

A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Jan.	Calls April	Calls July	Puts Jan.	Puts April	Puts July
BP (USP 328)	280	48	56	—	1½	5	—
" "	300	28	38	46	1	12	16
" "	330	6	16	30	9	24	32
" "	360	0¼	6	15	36	44	46
CGF (USP 554)	390	167	170	172	1	2	5
" "	420	137	140	142	1	3	6
" "	460	97	102	105	1½	6	10
" "	500	57	70	84	2	18	22
" "	550	15	45	57	15	37	45
CTD (USP 74)	70	6	10	13	1	3½	5
" "	80	1	5	7	7	8	11
" "	90	1	1½	—	17	18	—
" "	100	0½	—	—		—	—
CUA (USP 144)	120	35	28	31	1	4	6
" "	130	16	19	23	1	5	9
" "	140	7	14	18	4	9	14
" "	160	1	6½	9	17	23	25
GEC (USP 204)	157	49	—	—	2	—	—
" "	167	39	—	—	2	—	—
" "	177	29	—	—	2	—	—
" "	187	19	—	—	2	—	—
" "	197	8	22	—	4	10	—
" "	200	—	—	32	—	—	17
" "	217	1	13	—	16	20	—
" "	220	—	—	18	—	—	34
" "	237	1	5	—	36	40	—
" "	240	—	—	12	—	—	47
" "	260	0½	3	8	58	62	65
GMH (USP 346)	214	133	—	—	1	—	—
" "	220	127	—	—	1	—	—
" "	240	107	110	—	1	1	—
" "	260	87	90	—	1	2	—
" "	280	67	70	78	1	3	3
" "	300	47	50	58	1	4	5
" "	330	16	26	36	2	9	12
" "	360	2	13	21	17	23	28
ICI (USP 382)	260	124	132	—	0½	2	—
" "	280	104	112	—	1	2	—
" "	300	84	92	98	1	2	4
" "	330	54	62	68	1	6	10
" "	360	26	34	40	1½	12	18
" "	390	5	18	26	14	22	26
LS (USP 286)	240	47	52	—	1	2	—
" "	260	27	32	39	2	6	9
" "	280	8	18	26	3	10	16
" "	300	1	6	14	15	19	23
M & S (USP 208)	140	69	—	—	—	—	—
" "	160	49	53	—	1	1½	—
" "	180	29	34	38	1	3	6
" "	200	9	19	27	2	9	12
" "	220	1	10	15	14	19	22
" "	240	0½	4	8	34	37	41

Option		Calls Jan.	Calls April	Calls July	Puts Jan.	Puts April	Puts July
SHL (USP 436)	360	80	86	—	1½	—	—
" "	390	50	60	68	1½	7	9
" "	420	20	32	40	1½	16	20
" "	460	2	14	22	24	32	36
Option		Feb.	May	Aug.	Feb.	May	Aug.
BSL (USP 410)	350	—	—	—	2	—	—
" "	360	55	60	68	2	7	9
" "	383	—	—	—	4	—	—
" "	390	27	30	42	6	18	24
" "	420	10	17	26	17	33	45
IMP (USP 122)	90	34	35	—	1	1	—
" "	100	24	25	—	1	2	—
" "	110	15	16	20	1	3	5
" "	120	7	10	13	3	7	12
" "	130	3	4½	—	9	15	—
LMO (USP 309)	280	42	50	62	6	12	20
" "	300	27	40	52	12	17	32
" "	330	10	25	34	30	40	55
" "	360	4	12	—	52	65	—
" "	390	3	6	—	82	92	—
LNR (USP 98)	60	40	—	—	0¼	—	—
" "	70	30	—	—	1	—	—
" "	80	20	20	22	1	2	2½
" "	90	10½	12	14	1½	5½	7½
" "	100	3½	6	8	5	11	15
P & O (USP 119)	100	20	24	25	2	5	6
" "	110	11	16	19	3	7	9
" "	120	4	10½	13	6	11	16
" "	130	2	5	8	15	17	21
" "	140	1	3	—	24	27	—
" "	160	0½	1	—	43	46	—
RCL (USP 469)	420	52	—	—	3	—	—
" "	460	22	42	—	11	16	—
" "	500	8	26½	42	37	40	44
" "	550	2	12	22	87	87	87
" "	600	2	4	10	137	137	137
" "	650	1	2	—	187	187	—
RTZ (USP 522)	360	166	—	—	1	—	—
" "	390	136	137	—	1	2	2
" "	420	105	107	112	1	6	10
" "	460	65	74	78	1½	12	17
" "	500	27	50	55	10	23	32
" "	550	11	26	36	37	49	57
VRF (USP 115)	55	60½	—	—	0½	1	—
" "	60	55½	55½	—	0½	1	—
" "	70	45½	45½	46	0½	1	—
" "	80	35½	35½	36	0½	1	—
" "	90	25½	25½	27½	0¾	2	3½
" "	100	15½	18	23	2	6	7½
" "	110	8½	14	19	5½	10½	12
" "	120	4	9½	15	11	16	17½

Jan. 20 Total Contracts 2,954 Calls 2,477 Puts 477

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INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd		215.69	.....	—
Managed Inv. Fd.	146.67	154.39	.....	—
Property Fd.	144.54	152.15	.....	—
Fixed Interest Fd.	137.24	144.47	.....	—
Cash Fd.	130.49	137.36	.....	—
Income Fd.	141.81	149.28	.....	—
Extra Income Fd.	132.99	139.99	.....	—
Worldwide Growth Fd.	186.72	196.55	.....	—
Balanced Fd.	155.85	164.06	.....	—
Smlr Co's & Recy Fd	160.05	168.48	.....	—
Intl. Technology Fd	207.87	218.82	.....	—
Nth. Amer. & Gen. Fd.	131.42	138.34	.....	—
Energy Int. Fd.	84.59	89.05	.....	—
Pacific Basin Fund	113.27	119.24	.....	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Equity	93.3	98.2	.....	—
International	103.8	109.3	.....	—
Property	95.9	100.9	.....	—
Deposit	95.3	100.3	.....	—
Fixed Interest	92.4	97.3	.....	—
Managed	96.9	102.0	.....	—
Equity Pens Cap	92.9	97.8	.....	—
Intnl. Pens. Cap.	104.9	110.4	.....	—
Property Pens Cap	95.8	100.8	.....	—
Deposit Pens Cap	95.3	100.3	.....	—
Fixed Int Pens Cap	91.9	96.7	.....	—
Managed Pens Cap	97.0	102.1	.....	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	119.5	126.8	−1.2	—
GT Pln High Yld Fnd.	103.2	108.7	.....	—
GT Plan Far East Fnd	94.7	99.7	+0.1	—
GT Pln N Am Fund	140.5	147.9	.....	—
GT Pln UK&G.E. Fnd	117.9	124.2	.....	—
GT Pln Wrldwde Fnd.	110.6	116.5	.....	—
GT Pension Bnd Fnd.	123.6	130.2	−1.3	—
GT Pen High Yld Fd.	114.3	120.4	.....	—
GT Pen Far East Fd	100.1	105.4	.....	—
GT Pen N. Am. Fd	169.4	178.4	.....	—
GT Pen UK & G.E. Fd.	127.5	134.3	.....	—
GT Pen Worldwide Fd.	115.7	121.8	.....	—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	154.5	162.71	.....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		218.9	+4.5	—
Portfolio Fd. Init.		186.5	+3.2	—
Portfolio Fd. Cap.		212.1	+4.0	—
Portfolio Man. Acc.	65.4	68.8	.....	—
Portfolio Man. Init.	58.3	61.4	.....	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance		1425	.....	—
Landbank Secs.		64.03	.....	—
Landbank Scs. Acc.	171.3	177.8	.....	—
G. & S. Super Fd.		£10.794	.....	—

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

"Asset Builder"	59.8	62.9	+0.5	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511

Money Mngr. Jan. 15	58.1	58.3	.....	—
NM Flexible Jan 1	44.5	47.0	.....	—
Fixed Interest Jan 1	51.8	54.7	.....	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179

Equity	197.7	203.6	+5.8	—
Fixed Interest	148.7	149.6	+2.3	—
Property	157.8	162.5	+0.3	—
Deposit	136.9	136.9	+0.2	—
Mixed	171.9	175.6	+3.9	—
Indexed Stk.	113.6	114.1	−0.3	—

London Life Managed Funds Ltd.

Equity (P.)	141.9	146.8	+2.3	—
Fixed Int. (P.)	148.5	149.2	+2.8	—
Property (P.)	115.2	119.2	+0.1	—
Deposit (P.)	133.9	133.9	+0.3	—
Mixed (P.)	136.2	139.7	+1.8	—
Indexed Stock (P.)	119.5	120.3	+0.4	—

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	253.1	—	+0.6	—
Invest. Tst. Fd. Acc.	260.3	—	+0.6	7.8
Property Fund Cap.	116.3	—	−0.1	—
Property Fund Acc.	119.6	—	.....	3.1
Flexible Fund Cap.	169.4	—	−0.3	—
Flexible Fund Acc.	174.0	—	−0.3	2.4
Fixed Int. Fd. Cap.	131.5	—	−0.1	—
Fixed Int. Fd. Acc.	135.5	—	.....	—
Gtd. Deposit Fd. Cap.	136.7	—	.....	—
Gtd. Deposit Fd. Acc.	139.7	—	.....	—
Equity Fund Cap.	129.8	—	−0.8	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund	286.5	.....	—
Property Fund (A)	279.4	.....	—
Agricultural Fund	1047.9	.....	—
Agric. Fund (A)	1022.7	.....	—
Abbey Nat. Fund	223.9	.....	—
Abbey Nat. Fd. (A)	223.1	.....	—
Investment Fund	128.3	.....	—
Investment Fund (A)	127.7	.....	—
Equity Fund	363.3	+1.4	—
Equity Fund (A)	357.3	+1.4	—
Money Fund	204.4	.....	—
Money Fund (A)	201.0	.....	—
Actuarial Fund	188.1	.....	—
Gilt-edged Fund	175.8	.....	—
Gilt-Edged Fd. (A)	175.8	.....	—
Retire Annuity	342.8	.....	—
Immed. Ann'ty	196.0	.....	—
International Fd.	220.6	.....	—

Prop. Growth Pensions & Annuities Ltd.

All W'ther Ac. Uts.	224.1	235.9	.....	—
Inv. Fd. Uts.		256.0	.....	—
Pension Fd. Uts.		234.1	.....	—
Conv. Pens. Fd.		263.1	.....	—
Cnv. Pns. Cap. Ut.		202.3	.....	—
Man. Pens. Fd.		289.2	.....	—
Man. Pens. Cap. Ut.		231.3	.....	—
Prop. Pens. Fd.		264.5	.....	—
Prop. Pens. Cap. Uts.		206.0	.....	—
Bldg. Soc. Pen. Ut.		243.7	.....	—
Bldg. Soc. Cap. Ut.		184.3	.....	—
Gilts Pens. Fd.		161.9	.....	—
Gilts Pens. Fd. Cap.		136.5	.....	—
Equity Pens. Fd.		215.0	+0.5	—
Equity Pens. Fd. Cap.		193.5	+0.4	—

Providence Capitol Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Equity Acc.	92.5	97.6	.....	—

[illegible]

Wardley Investment Services Ltd.
41st Floor, Hutchison House, Hong Kong

Wardley Trust	HK$30.96	32.70	.....	4.28
Wardley Nikko As. Fd.	US$26.53	27.74	.....	5.41
Wardley Bond Trust	$10.70	10.90	.....	8.35
Wardley Japan Trust	$19.63	20.34	.....	1.03

Westavon Secs. (Guernsey) Ltd
PO Box 214, St Peter Port, Guernsey 0481 27768

Gilt & Option Fd.	99.0	104.0	.....	3.00

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$11.83	—	.....	−0.04

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	35.7	37.2	+1.0	3.10
Chinese Fund	74.8	77.9	.....	1.70
Precious Metal Fund	148.6	154.5	+8.9	8.30
Vanguard Cmdy. Fd.	45.2	46.3	−0.3	2.26
Financial Futures Fd.	134.3	139.7	.....	—
Wren Intl. Fnd.*	$0.928	0.967	.....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. ø Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅝	91	Exch. 3pc 1983	99¾xd	+1/16	—	10.51
101½	95¼	Treasury 12pc 1983‡‡	100 1/32		11.99	11.27
100⅝	92⅞	Treasury 9¼pc '83	99 7/16xd	+1/16	9.30	10.53
104⅝	96¾	Exch. 13½pc '83	102 1/16	..	13.24	10.84
101¼	91⅞	Exch. 10pc 1983	99⅝	..	10.06	10.70
98¼	87⅝	Funding 5½pc '82-84‡‡	97		5.67	8.75
103¾	91¾	Exch. 11¼pc 1984	100¾xd	+1/16	11.17	10.55
107¼	96¼	Exchequer 14pc 1984	103¾	+3/16	13.49	10.64
94½	81⅛	Exch. 3pc 1984	93½	−⅛	3.21	7.86
105¼	91½	Treasury 12pc 1984	101¾	+1/16	11.79	10.79
112	96⅛	Treasury 15pc 1985	107¼xd	+3/16	14.00	11.12
122¼	89½	Exch. 12pc Cnv. '85	103¾	..	11.57	10.02
91¼	73½	Treasury 3pc 1985	89¾	..	3.34	7.90
105½	87½	Treasury 11½pc 1985	101 5/16	+¼	11.35	10.90
61¼	55¼	Treas. 8¼pc Cr85 (£60pd)	56 11/16	+3/16	9.01	10.04
107⅝	88⅝	Exch. 12¼pc 1985	102 3/16	+¼	11.97	11.25
106⅝	86⅛	Exch. 14¼pc '86	101¼xd	+1/16	11.60	11.29
89½	69	Treasury 3pc 1986	87⅛		3.44	7.44
107¼	86¼	Treasury 12pc '86	102	+1/16	11.76	11.26
100	80⅛	Treasury 8¼pc '84-86‡‡	96⅛	..	8.82	8.77
116¼	96⅛	Treas. 12¼pc '86 Cnv	106¼	+¼	11.48	9.92
114	91⅞	Exch. 14pc 1986	107 3/16	+3/16	13.02	11.44
112	90	Exch. 13¼pc 1987	105⅝xd	+¼	12.54	11.46
84	83⅝	Exchequer 2½pc 1987	83⅞		2.98	7.11
103½	95⅞	Exch. 10½pc 1987	97¼	+¼	10.74	11.16
93⅝	73⅞	Funding 6½pc '85-87‡‡	91⅞	−¼	7.07	8.82
85¼	64½	Treasury 3pc 1987	84⅛		3.56	7.14
109	85⅝	Treas. 12pc 1987	102	+⅛	11.76	11.42
		Five to Fifteen Years				
98	72½	Treasury 7¾pc '85-88‡‡	91xd		8.51	10.05
102⅛	95½	Exch. 10½pc '88	97½	+¼	11.02	11.68
81	60⅝	Transport 3pc '78-88	78½	+⅛	3.78	7.99
99	91	Treas. 9½pc '88	93¼	+¼	10.33	11.44
107⅞	79⅞	Treasury 11½pc 1989	97½xd	+¼	11.67	11.87
85⅝	62½	Treasury 5pc '86-89	80¾	..	6.30	9.16
117¼	85⅞	Treasury 13pc 1990‡‡	105½	+¼	12.35	11.86
112	85⅝	Exch. 12½pc 1990	106½	+¼	12.21	11.99
98⅛	70⅛	Treasury 8¼pc '87-90‡‡	88¼	....	9.44	10.75
110⅛	77⅞	Treasury 11¾pc 1991	99⅝	+⅛	11.84	11.89
84⅞	59¾	Funding 5¾pc '87-91‡‡	80¼		7.27	9.48
104⅛	76⅛	Exch. 11pc 1991	98¼	+¼	11.45	11.71
116⅞	81⅞	Treasury 12¾pc '92‡‡	104¼xd	+⅛	12.17	11.87
102¼	70	Treasury 10pc 1992	91¼xd	..	10.86	11.43
112⅛	80⅞	Exch. 12¼pc '92	100⅞xd	....	12.00	11.91
118¼	88⅝	Exchequer 13½pc '92	112½	+¼	12.50	12.06
116½	80⅝	Treasury 12½pc '93‡‡	104	+¼	12.05	11.87
81½	56¼	Funding 6pc 1993‡‡	77	..	8.01	9.85
124⅛	88	Treasury 13¾pc 1993‡‡	113¼	+¼	12.38	11.90
152	91⅝	Treasury 14½pc '94‡‡	121⅝	+⅛	12.50	11.87
119¼	86¼	Exchequer 13½pc 1994	112	+¼	12.39	12.04
115½	80⅛	Exch. 12½pc 1994	103xd	+¼	12.01	11.86
96⅛	66¼	Treasury 9pc '94‡‡	89	..	10.30	10.92
113¼	76½	Treasury 12pc '95	100¾xd	+¼	11.90	11.86
66¼	42⅞	Gas 3pc '90/95	62¼	....	4.83	7.87
103¼	68½	Exch. 10¼pc 1995	91xd		11.26	11.64
116⅛	83¼	Treasury 12¾pc '95‡‡	108⅞	+⅛	11.97	11.74
127¼	86¼	Treas. 14pc '96	113¼xd	+⅛	12.36	11.96
97	66⅝	Treasury 9pc '92/96‡‡	89½	....	10.42	10.98
133	96	Treasury 15¼pc '96‡‡	125		12.53	11.94
120	86	Exchequer 13¼pc '96‡‡	112½		12.04	11.73
63¼	43⅝	Redemption 3pc 1986-96	59¼	....	5.10	8.00
124	83½	Treasury 13¼pc '97‡‡	110¼xd		12.03	11.74
105⅛	69⅝	Exchequer 10½pc 1997	92½xd	......	11.24	11.46
94½	64	Treasury 8¾pc 1997‡‡	87	..	10.47	11.03
132¼	94¼	Exch. 15pc 1997	123¼		12.48	12.03
		Over Fifteen Years				
79⅛	54½	Treasury 6¾pc '95-98‡‡	72	−⅛	9.57	10.71
138¼	99½	Treas. 15½pc '98‡‡	129⅞	....	12.39	11.92
116⅝	78¼	Exch. 12pc 1998	104¼	−⅛	11.74	11.68
100⅝	66	Treasury 9½pc 1999‡‡	89	....	10.69	11.00
116	81¼	Exch. 12¼pc 1999	107⅞	−⅛	11.78	11.70
107	71⅛	Treasury 10½pc 1999	95¼	−⅛	11.24	11.39
124¼	82¼	Treas. 13pc 2000	109⅝	−¼	11.91	11.76
131	89	Treas. 14pc '98-01	117	−⅛	12.21	11.89
116½	76½	Exch. 12pc '99-02	102½xd	−¼	11.70	11.65
129½	85⅞	Treas. 13¾pc 2000-03	114¼xd	−¼	12.02	11.79
113¼	78¼	Treasury 11½pc '01-04	104½	−¼	11.43	11.44
50¼	33¼	Funding 3½pc '99-04	45	....	7.79	9.60
123⅛	81⅝	Treasury 12½pc '03-05	109¼	−¼	11.61	11.51
87¼	59¾	Treasury 8pc '02-06‡‡	79¼	−¼	10.34	10.64
116⅛	75⅞	Treasury 11¾pc 03-07	102½xd	−¼	11.46	11.43
128½	90	Treas. 13½pc '04-08	119½	−¼	11.71	11.58
64	44¼	Treasury 5½pc '08-12‡‡	58	......	9.82	10.26
85½	55⅝	Treasury 7¾pc '12-15‡‡	74½xd	..	10.39	10.53
124	81⅛	Exch. 12pc '13-'17	109¼	−⅛	11.12	11.08
		Undated				
42¼	27⅛	Consols 4pc	36½xd	....	10.92	—
37¼	26⅛	War Loan 3½pc‡‡	33	......	10.77	—
42	31½	Conv. 3½pc '61 Aft.	38¼	....	9.29	—
32¼	22	Treasury 3pc '66 Aft	29½	......	10.48	—
27	17¼	Consols 2½pc	23½	....	10.68	—
26⅞	17⅝	Treasury 2½pc	23⅝	......	10.93	—
		Index-Linked & Variable Rate				
100⅜	99¼	Treas. Variable '83	99 13/16	......	11.26	11.17
					(1)	(2)
105¼	95	Treas. 2pc I.L. '88	106	....	1.98	2.27
112	93	Do. 2pc I.L. '96	111¼	+¼	2.39	2.51
103⅝	93¼	Do. 2½pc I.L. 2001	103¼	+¼	2.37	2.47
102¼	95½	Do. 2½pc I.L. 2003	101¼	+¼	2.41	2.50
107	86¼	Do. 2pc I.L. 2006	106xd	+¼	2.34	2.42
103	96	Do. 2½pc I.L. 2009	102	+¼	2.42	2.49
110	90	Do. 2½pc I.L. 2011	107⅞xd	+⅛	2.37	2.44
25¼	25	Do. 2½pc I.L. 2016	25¼	....	2.39	2.45

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

High	Low	Stock	Price £	+ or −	Yield Int.	Red.
116¼	99¼	Australia 13½pc 2010	104xd	....	12.95	12.92
108¼	92¼	Finland 14½pc Ln 1986	104¼	....	13.78	12.67
30¼	22½	Int-Am Dev Bk 12½pc 2003	23¼	....	13.45	13.55
109	90¼	Int. Bank 13½pc 1986	103¼	....	13.08	12.25
111½	97	Do. 14pcLn 1987	106¼	+¼	13.18	12.04
101¼	80	Mex 16½pc 2008	88	....	20.20	22.28
112½	98½	N.Z. 14½pc 1987	106¼	+¼	13.35	12.22
107½	90¼	Sweden 13½pc 1986	102¼	....	13.14	12.36

CORPORATION LOANS

High	Low	Stock	Price £	+ or −	Yield Int.	Red.
102½	85	Bath 11¼pc 1985	98½	....	11.43	11.86
104⅞	89¼	Birm'ham 12½pc 1985	101¼	+¼	12.34	11.83
106⅞	87	Burnley 13pc 1987	102½	+¼	12.68	12.22
101¼	81¼	Cardiff 11pc 1986	96¼	+¼	11.39	12.16
104¼	94⅝	G.L.C. 13¼pc 1984	102¼xd	+⅛	12.96	11.01
81¼	53¼	Do. 6¼pc 90-92	72½xd	..	9.26	11.69
89	67½	Herts 6½pc 1985-87	83	+¼	8.13	11.67
114¼	85	Leeds 13½pc 2006	110	−¼	12.74	12.68
100⅛	87½	Liverpool 9¼pc '80-84	98	+¼	9.95	11.42
31½	21½	D. 3½pc Irred.	29¼	....	12.08	—
104⅝	95½	Lon. Corp. 13¼pc '83	101½		13.06	11.24
99¼	82¼	Do 9¼pc '84-85	95	+¼	9.72	11.42
93⅞	78¼	LCC 5½pc '82-84	92¼	....	5.96	11.28
84⅞	64¼	Do. 5½pc '85-87	81	....	6.77	11.04
87	56	Do 6¼pc '88-90	77½	....	8.72	11.30
26¼	19½	Do. 3pc '20 Aft.	24½		12.64	—
104½	90¼	Sunderland 12¼pc 1984	100½xd	......	12.19	11.89

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price £	+ or −	Yield Int.	Red.
98⅞	85¼	Aust. 6pc 1981-83	96⅞xd		6.25	10.82
83¼	57	N.Z. 7¼pc 1986-92	77¼xd	−¼	9.42	11.27
93½	74¼	Do. 7½pc '83-86	88¼xd	−¼	8.52	11.84
167	136	S. Rhod. 2½pc Non-Ass.	163	..	—	—
80	58	Do 3½pc 80-85 Assd	80	..	12.04	11.19
55	32	Do. 4½pc 87-92 Assd	52xd	−2	8.65	14.00
402	318	Zimbabwe Ann (£100pd)	380	....	—	17.20

LOANS

Public Board and Ind.

High	Low	Stock	Price £	+ or −	Yield Int.	Red.
77½	57¼	Agric. Mt. 5pc '59-89	76xd	....	6.56	10.14
38	24¼	Met. Wtr. 3pc 'B'	34	....	9.10	11.74

LOANS—Continued

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

BANKS & H.P.—Cont.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
210	145	Jacksons Bourne	195	.....	5.0	3.1	3.7	12.6
32	19½	James Inds. 10p	20xd	.....	1.25	1.9	8.9	8.4
180	105	Jardine M HK$5.	143	−1	t092c	2.3	6.3	6.9
*48	13	Jenks & Cattell	23	.....	21.0	—	6.2	—
306	187	Johnson Clnrs.	289	.....	♦17.7	2.3	3.8	16.1
340	227	Johnson Mthy. £1	340	.....	10.0	1.9	4.2	(14.9)
238	98	Johnston Grp. 10p	238	.....	4.0	6.2	2.4	9.4
92	64	Jourdan (T.) 10p	92	+4	5.25	0.6	8.2	(22.1)
48	35	Kalamazoo 10p	41	−1	2.5	0.9	9.0	17.7
170	135	Kelsey Inds.	160	+5	8.0	♦	7.1	♦
310	130	Kershaw (A.) 5p	130	.....	21.75	0.5	23.9	(21.3)
55	36	Kleen-E-Ze Hldgs.	39	.....	13.0	0.2	11.0	—
68	44	L.C.P. Hlds	55	.....	¶3.6	0.6	9.7	(18.3)
108	39½	L.R.C. Int. 10p	108	+3	t3.1	2.0	4.1	18.1
46	27	Lawtex	28	+1	—	—	—	—
440	277	Lep Group 10p	385	.....	17.5	1.7	6.5	(11.3)
37	22	Lilleshall 10p	23	.....	‡2.5	—	‡	—
470	39	Lon. & Liv. 10p	470	+62	†2.45	2.4	0.7	68.5
116	78	London & Mid'd	105	.....	7.75	1.1	10.5	(12.4)
62½	36	Lon. & Nthn. Grp.	55	.....	†3.75	2.1	9.7	5.9
43	23	‡Lon. Prev. Health	38	.....	—	—	—	19.0
10	3½	Long Hmbly. 10p	8¼	.....	—	—	—	—
64	36	Longton Inds.	64	.....	1.0	—	2.2	—
195	55	Low & Bonar 50p	80	+2	†7.0	0.6	12.5	(27.8)
27½	14	M.Y. Dart. 10p	18	.....	†h1.21	—	‡	—
242	105	M'c'rthy Ph. 20p	212	+2	7.0	2.0	4.7	9.8
133	48	Macfarlane Gp.	133	+2	†h3.2	2.5	3.4	15.1
49	28	Macllellan 20p	46	.....	d1.43	1.4	4.4	(20.2)
86	40	Macpherson (D.)	51	−1	4.2	1.5	11.8	7.4
62	42½	Magnolia Group	42½	−1½	2.3	3.9	7.7	4.3
108	57	Man. Ship Can. £1	90	+2	8—	—	—	—
57	35	Marley	57	+1	2.25	1.5	5.6	(15.2)
51	29	Marling Ind. 10p	35	.....	1.08	6.7	4.4	3.6
49	28	Marshall L'xy. 'A'	29	.....	2.8	1.9	13.8	(4.6)
88	56	Marshall's Univ	60	.....	0.1	—	0.2	—
37	21½	Martin-Black	24	.....	—	—	—	—
£143	£97	♥Mathesons 7¾%	£120	+2	Q7¾%	2.3	(6.6)	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
151	90½	Intasun 10p	121	.....	3.5	4.8	4.1	6.2
182	112	LWT "A"	153	+3	11.08	1.1	10.3	(12.3)
218	116	♦Leisure Inds.	212	−6	♦6.0	3.0	4.0	10.0
140	64	Lesurtime Int 10p	140	+6	0.9	2.8	0.9	47.9
132	80	Maqpt. Ag. M. 10p	124	.....	8.75	♦	10.1	♦
67	55	Mennminster 10p	58	.....	4.0	0.8	9.9	18.2
275	100	♦Mitsuis Int 20c	100	−2	—	—	—	—
185	39	Norton & Wrt. 10p	70	+2	†t2.0	0.5	4.1	—
28	14	‡Owners Abroad	25¼	+¼	m0.35	4.6	1.9	16.0
65	43	Photax (Lon.)	45	.....	‡3.5	3.8	‡	2.9
153	80	‡Pineple Dnc. St. 10p	145	+3	md1.5	2.1	1.5	35.8
500	149	Pleasurama 5p	443xd	.....	7.5	♦	2.4	♦
113	88	♦Radio City 'A' N/V	110	.....	ø5.6	♦	7.3	♦
*145	82½	Riley Leisure 10p	140	−1	24.1	1.7	4.2	20.2
179	84	Saga Hols. 20p	108	+1	d3.73	—	4.9	—
440	125	Samuelson 20p	430	.....	‡12.0	♦	4.1	♦
107	76	Scott. TV 'A' 10p	97	.....	†7.0	3.8	10.3	3.6
*43	21	‡SelecTV 10p	40	+5	—	—	—	—
18	13	TSW 5p	15½	.....	0.9	3.3	8.3	5.2
52	28	‡TVS N/Vtg 10p	30	.....	—	—	—	—
100	55	Trad'nt TV 'A' 10p	81	+2	4.26	♦	7.8	♦
215	92	♥21st Century Dist.	160	.....	—	—	—	—
27½	15	Webb (Jos.) 5p	15	.....	d0.51	2.2	4.9	(10.7)
93	69	Zetters 5p	81	+3	2.75	2.8	4.8	10.5

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
21	12	B.L. 50p	21	.....	—	—	—	—
62	38	‡Coleman Mlr 10p	60	−2	u1.5	3.2	3.6	(9.7)
205	93	Gen. Mts. Units	200	.....	Q12c	—	3.8	—
272	133	Honda Motor Y50	262	−3	Q10%	8.4	0.4	27.5
32	14	Lotus Car 10p	28	.....	—	—	—	—
33	7	♦Reliant Motor 5p	33	+3	—	—	—	8.8
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
250	75	Falcon Rh 50c	250	.....	Q25c	10.3	7.0
33	18	Wankie Col. Z$1	19	.....	†Q3c	1.2	10.7
24	12	Zam Cpr SBD0.24	23	−1	—	—	—

Australians

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
24	10	♥ACM 20c	22	−2	—	—	—
28	6	♥Argosy Gold NL 25c	13	.....	←	—	—
58	46	♥Black Hill Mins	58	+4	—	—	—
151	54	♥Bond Corp	61	−7	¤Q10c	2.3	10.5
149	58	♥Bougainville 1 Kina	147	−2	‡Q6.71c	1.2	‡
258	147	♥CRA 50c	254	−4	‡Q5c	—	‡
46	10	♥Carr Boyd 20c	46	+5	—	—	—
56	21½	♥Central Pacific	31	−1	—	—	—
380	152	♥Crusader Oil	300	−15	—	—	—
26	7	♥Cultus Pac NL	13	−1	—	—	—
27	7	♥Eagle Grp 10c	10½	.....	—	—	—
23	8½	♥Endeavour 20c	12½	−1	—	—	—
720	120	♥GM Kalgoorlie 25c	710	−10	¤Q10c	♦	0.8
244	134	Hampton Areas 10p	234	−2	†3.0	2.8	1.8
32	10	♥Haoma NW	19½	.....	—	—	—
22	9	♥Inmt Mining	16	.....	—	—	—
36	2	♥Kalbara Min 20c	27	.....	—	—	—
13½	5	♥Keywest Expl	13	−1½	—	—	—
126	30	♥Kitchener NL 25c	118	−2	—	—	—
190	92	♥Meekatharra 25c	158	−2	—	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Tins

[illegible]

Miscellaneous

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
87	20	♥Anglo-Dominion	71	.....	—	—	—
		For Burma see Recent Equities, S'west Res.					
130	27	♥Colby Res Corp	122	.....	—	—	—
440	170	Cons. Murch 10c	420	−10	‡Q60c	1.9	‡
8	1½	††Explaura Gold	4½	.....	—	—	—
150	55	♥Highwood Res	145	.....	—	—	—
£40⅝	£25	Homestake Mining $1	£38⅛	−1½	Q40c	—	0.6
470	160	Northgate C$1	425	−25	—	—	—
533	344	R.T.Z.	523	−7	16.0	1.6	4.4
£120	£84	Do 9½% Cv Ln '95-2000	£117½	−1	Q9½%	23.9	8.1
28	11	♥Sabina Inds C$1	25	.....	—	—	—
44	27	‡Southwest C. 10p	37	.....	←	—	—
530	270	♥Tara Exptn $1	530	+65	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 163(4)(a).
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency

			IRISH		
Albany Inv. 20p	48	.....	Exch. 15pc 1983	£100⅝	−⅛
Bertrams	17#	.....	Nat. 9¾% 84/89	£80	
Bdg'wtr. Est. 50p	465	.....	Fin. 13% 97/02	£92	+⅛
Craig & Rose £1	£12½	.....	Alliance Gas	115	.....
Finlay Pkg. 5p	31	.....	Arnott	188	.....
Graig Ship. £1	£21	+1	Carroll (P.J.)	80	.....
Higsons Brew	105	.....	Concrete Prods.	53	.....
Holt (Jos) 25p	880	.....	Heiton (Hldgs.)	15	.....
I.O.M. Stm. £1	97	.....	Ins. Corpn. Ireland	383	.....
Pearce (C. H.)	£12	+½	Irish Ropes	26	.....
Peel Hldgs.	160	.....	Jacob	82	.....
Sindall (Wm.)	200	.....	T.M.G.	95	.....
			Unidare	42	.....

OPTIONS

3-month Call Rates

Industrials					
Allied-Lyons	15	House of Fraser	15	Utd. Drapery	7
BOC Grp.	17	I.C.I.	26	Vickers	12
B.S.R.	6	"Imps"	10	Woolworth Hld.	15
Babcock	10	I.C.L.	8	**Property**	
Barclays Bank	35	Ladbroke	16	Brit. Land	7½
Beecham	35	Legal & Gen.	28	Cap. Counties	12
Blue Circle	44	Lex Service	16	Land Secs.	26
Boots	22	Lloyds Bank	35	MEPC	17
Bowaters	19	"Lots"	4	Peachey	14
Brit. Aerospace	20	London Brick	11	Samuel Props.	10
B.A.T.	50	Lucas Inds.	12	Town & City	3
Brown (J.)	4	"Mams"	12		
Burton Ord.	24	Mrks. & Spncr.	16	**Oils**	
Cadburys	11	Midland Bank	30	Brit. Petroleum	26
Courtaulds	8	N.E.I.	9	Burmah Oil	12
Debenhams	8½	Nat. West. Bank	38	Charterhall	5
Distillers	20	P & O Dfd.	14	KCA	8
Dunlop	5½	Plessey	50	Premier	4
Eagle Star	30	Racal Elect.	45	Shell	35
F.N.F.C.	4	R.H.M.	6	Tricentrol	22
Gen. Accident	30	Rank Org. Ord.	15	Ultramar	42
Gen. Electric	24	Reed Intnl.	26		
Glaxo	90	Sears	9	**Mines**	
Grand Met.	25	T.I.	13	Charter Cons.	20
G.U.S. 'A'	50	Tesco	8	Cons. Gold	40
Guardian	35	Thorn EMI	38	Lonrho	8
G.K.N.	15	Trust Houses	13	Rio T. Zinc	42
Hawker Sidd.	30	Turner & Newall	4		
		Unilever	65		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 37

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar continues to improve

The dollar showed further gains in currency markets yesterday in the absence of any reduction in the U.S. discount rate. It finished below its best levels however as funds switched back into D-marks, following the West German Bundesbank's decision not to cut its own discount rate.

Sterling held up quite well against most currencies and its index finished a little firmer on the day. It was marginally weaker against the dollar, ending equal to its lowest ever closing level, last touched in October 1976. Later in New York the pound showed quite a strong recovery however.

DOLLAR—Trade weighted index (Bank of England) 119.4 against 120.2 six months ago. *The dollar has returned to favour in the last few days as funds have moved away from the D-mark on fears about the result of the German general election. The market is also waiting for the Federal Reserve to cut its discount rate, and at the moment is temporarily ignoring the large U.S. trade deficit.*

The dollar closed at DM 2.430 against the D-mark, up from DM 2.4125 on Wednesday but down from a best level of DM 2.4345. *It was firmer against the yen at* Y235.25 from Y232.65 and SwFr 1.9775 from SwFr 1.9740 in terms of the Swiss franc. Against the French franc it finished at FFr 6.87 compared with FFr 6.825.

STERLING — Trading range against the dollar in 1982-83 is 1.9265 to 1.5700. December average 1.6176. Trade weighted index 82.4 against 82.2 at noon and 82.3 in the morning and compared with 82.3 on Wednesday and 91.1 six months ago. Sterling has been very weak of late on fears of an early general election and forecasts that world oil prices will remain under downward pressure, leading to a worsening of Britain's balance of payments. Although the pound has shown signs of recovery against the Continentals, it remains nervously weak against a strong dollar.

Sterling opened just above $1.57 and eased initially on dollar strength to $1.5650. However it recovered in the afternoon to close at $1.5695-1.5705, a fall of 45 points. Against the D-mark it rose to DM 3.8075 from DM 3.80 and FFr 10.7850 from FFr 10.7725. It was unchanged against the yen at Y369.5 and slipped in terms of the Swiss franc to SwFr 3.1050 from SwFr 3.1100.

D-MARK — Trading range against the dollar in 1982-83 is 2.5940 to 2.2410. December average 2.4225. Trade-weighted index 127.6 against 124.8 six months ago. *The D-mark has been strong* recently, helped by an improving balance of payments position. It has also benefited from the weakness of the dollar and sterling, but is showing signs of losing ground during the run-up to a general election in March.

The D-mark gained ground against the dollar at the Frankfurt fixing. The U.S. currency fell to DM 2.4118 from an opening level of DM 2.4305, and a previous fix of DM 2.4158. The dollar weakened on disappointment that the Bundesbank did not cut its key interest rates at yesterday's council meeting, but recovered during the afternoon as concern about the West German election began to dominate the market once again. Sterling fell to DM 3.7890 from DM 3.7940 at the fixing.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 20	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9704	44.9679	−0.01	+1.14	±1.5501
Danish Krone ...	8.23400	8.10498	−1.57	−0.42	±1.6430
German D-Mark	2.33379	2.30140	−1.39	−0.24	±1.0888
French Franc ...	6.61387	6.52303	−1.37	−0.22	±1.3940
Dutch Guilder ...	2.57971	2.52531	−2.11	−0.96	±1.5004
Irish Punt	0.691011	0.690901	−0.02	+1.13	±1.6691
Italian Lira	1350.27	1320.99	−2.17	−1.60	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Jan. 20	£	$		£ Note Rates
Argentina Peso	81,502-81,542	51,900-51,950	Austria	26.50-26.75
Australia Dollar	1.6010-1.6030	1.0200-1.0205	Belgium	77-78
Brazil Cruzeiro	416.24-417.24	264.78-266.10	Denmark	13.25-13.39
Finland Markka	8.3665-8.3790	5.3300-5.3320	France	10.70-10.80
Greek Drachma	129.725-133.817	83.75-84.25	Germany	3.78-3.81
Hong Kong Dollar	10.21¼-10.23¼	6.5200-6.5250	Italy	2165-2200
Iran Rial	131.90*	83.35*	Japan	367-371
KuwaitDinar(KD)	0.4540-0.4550	0.2898-0.2900	Netherlands	4.15-4.19

CURRENCY MOVEMENTS

Jan. 20	Bank of England Index	Morgan Guaranty Changes%
Sterling	82.4	−58.3
U.S. dollar	119.4	+9.9
Canadian dollar	90.1	−17.2
Austrian schilling	120.0	+29.5
Belgian franc	94.4	−1.6
Danish kroner	83.9	−9.7
Deutsche mark	127.6	+53.6
Swiss franc	153.6	+109.8

CURRENCY RATES

Jan. 20	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.697283	0.606628
U.S. $	8½	1.09599	0.952407
Canadian$	9.74	*	1.16670
Austria Sch	4¾	18.5705	16.1433
Belgian F	11½	51.7006	44.9679
Danish Kr	10	9.32139	8.10498
D mark	5	2.64331	2.30140
Guilder	4½	2.90437	2.52531
French F	9½	7.49493	6.52303

THE POUND SPOT AND FORWARD

THE DOLLAR SPOT AND FORWARD

EXCHANGE CROSS RATES

Jan. 20	Pound Sterling	U.S. Dollar	Deutschemark	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Canadian Dollar	0.620	0.816	1.980	192.1	5.608	1.615	2.170	1137.	1.	38.72
Belgian Franc 100	1.343	2.109	5.114	496.3	14.49	4.171	5.604	2937.	2.583	100.

FINANCIAL FUTURES

Narrow trading ranges

Volume remained at a reasonable level on the London International Financial Futures Exchange yesterday, despite the lack of prime movements. Interest rate and currency contracts traded within very narrow ranges, reflecting the general mood of the cash markets, where traders are generally waiting for fresh inspiration. Hopes that the German Bundesbank would cut its key lending rates at yesterday's council meeting had tended to fade in the last few days as the D-mark weakened on the foreign exchanges, and therefore it came as little surprise when the authorities left the discount and Lombard rates unchanged. There are also growing doubts that the U.S. Federal Reserve will reduce its discount rate today despite the renewed strength of the dollar.

Sterling moved nervously on the foreign exchanges but finished little changed on balance, while the sterling March futures price closed only 5 points lower at 1.5660 after opening at 1.5635, and touching a low of 1.5615.

Volume in the Eurodollar pit *continued to improve* but the March price finished only 1 point different from the opening level, and 10 points down on the day at 91.05.

Market sources appeared reasonably satisfied with the level of gilt business, but continue to hope for improvement in the June contract. Turnover was particularly encouraging when compared with the very quiet cash market, which gave no strong lead to Liffe.

Prices were very steady in short-sterling futures, but some spread trading was reported. Selling of March and buying of June reflected the high price level of the March contract compared with the present level of London interest rates. March fell 3 basis points to 89.54, but June rose 10 points to 89.70.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	91.05	91.08	90.99	91.15
June	90.67	90.69	90.63	90.81
Sept	90.38	90.38	90.38	90.50
Dec	90.08	90.08	90.08	90.25
March	89.85	89.85	89.85	90.01

Volume 1,238 (858)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4259	0.4294	0.4260	0.4267
June	0.4287	0.4291	0.4287	0.4285

Volume 35 (145)
Previous day's open int 122 (105)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	75-20	75-26	75-14	75-18
June	74-30	75-04	74-23	74-27
Sept	74-12	74-15	74-05	74-08
Dec	73-29	73-31	73-24	73-26
March	73-17	73-20	73-12	73-15
June	73-08	73-10	73-05	73-08
Sept	73-00	73-01	72-29	72-30

MONEY MARKETS

UK rates edge firmer

UK clearing bank base lending rate 11 per cent (since January 12 and 13)

Interest rates were a little firmer where changed in London yesterday in generally quiet trading. Sterling showed a steadier performance but the market remained a little nervous. In the interbank market overnight money opened at 11⅞-11⅞ per cent and rose towards midday to 11¼-11¾ per cent. A low of 8 per cent was touched in the afternoon but closing balances commanded up to 13 per cent.

The Bank forecast a shortage of around £700m, later revised to £650m, with factors affecting the market including bills maturing in official hands and a net take up of Treasury bills −£326m and Exchequer transactions −£310m. The Bank gave assistance in the morning of £491m comprising purchases of £42m of eligible bank bills in band 1 (up to 14 days) at 11 per cent and £61m in band 2 (15-33 days) at 11 per cent. It also arranged sale and repurchase agreements on £388m of bills at 11 per cent, for resale in equal amounts on January 26 and 27. Further help in the afternoon came to £133m, making a grand total of £624m. The afternoon help comprised purchases of £91m of eligible bank bills in band 2 and in band 3 (34-63 days) £15m of Treasury bills and £7m of eligible bank bills all at 11 per cent. It also arranged further sale and repurchase agreements on £20m of bills at 11 per cent, unwinding in equal amounts on January 26 and 27.

In Frankfurt the Bundesbank left its discount rate unchanged at 5 per cent and the Lombard rate at 6 per cent. Prior to yesterday's meeting of the Bundesbank central council the market *had been looking for a half or* full point cut in the discount rate. However, the D-mark has shown a sharp fall against the dollar in the past few days and this was suggested as a reason for the delay in cutting rates together with an unchanged U.S. discount rate despite continued expectations of a further reduction. There could also be some hesitation according to some market sources because of the proximity of a general election and the political implications in the timing of a cut in interest rates. Others in the market also pointed out that although the dollar has risen to around DM 2.42 from DM 2.36 at the beginning of the month, it was as high as DM 2.59.

After the meeting the Bundesbank announced an increase of DM 4bn from February 1 in the rediscount quota whereby banks will be able to raise additional funds through sale and repurchase agreements.

LONDON MONEY RATES

Jan. 20 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits
Overnight	—	8-13	—
2 days notice	—	—	11¼-11⅜
7 days or ...	—	—	—
7 days notice	—	11⅜-11½	11¼-11⅜
One month	11⅛-11⅜	11⅛-11⅜	11¼-11⅜
Two months	11⅛-11¼	11⅛-11½	11⅛-11⅜
Three months	11¼-11⅛	11⅛-11⅜	11⅛
Six months	10⅞-10⅞	10⅞-11⅛	10⅞-11
Nine months	10⅞-10⅞	10⅞-11⅛	—
One year	10⅞-10⅞	10⅞-11⅛	10⅞-11⅜
Two years	—	—	11-11⅜

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 8 1982 to January 4 1983 (inclusive): 10.833 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11¼-11½ per cent; four years 11¼-11½ per cent; five years 11½-11¾ per cent. Bank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 10¾ per cent; four month trade bills 11¾ per cent.

Approximate selling rate for one month Treasury bills 10¹³⁄₁₆-11 per cent; two months 10¹³⁄₁₆-10⅞ per cent. Approximate selling rate for one month bank bills 11-11⅛ per cent; two months 10²⁹⁄₃₂ per cent and three months 10²⁹⁄₃₂-10⅞ per cent; one month trade bills 11¾ per cent; two months 11¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 10½ per cent from January 1 1983. London and Scottish Clearing Bank Rates for lending 10-10½ per cent. London Deposit Rate for sums at seven days' notice 7-8 per cent.

Treasury Bills: Average tender rate of discount 10.7617 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 11½ per cent; one-three month 11¾ per cent; three-12-month 11¾ per cent. Under £100,000 11 per cent from January 17. Deposits held under Series 5-5 11¾ per cent. The rate for all deposits withdrawn for cash 8½ per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 20	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	11½-11¾	11½-11¾	11⅛-11½	11⅛-11⅛	11⅛-11⅛	11⅛-11⅛
U.S. Dollar	8⅝-8⅞	8¾-9	8¾-9	8¾-9	8⅞-9⅛	9¼-9½
Can. Dollar	9-10	10½-11½	10½-10¾	10¼-10½	10-10¼	10-10¼

MONEY RATES

FT LONDON INTERBANK FIXING

(11.00 a.m. JANUARY 20)

3 months U.S. dollars		6 months U.S. dollars	
bid 8 7/8	offer 9	bid 9 1/16	offer 9 1/16

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, January 19 1983. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60
Albania	Lek	6.4352
Algeria	Dinar	4.56
Grenada	E. Caribbean $	2.70
Guadaloupe	Franc	6.8425
Guam	U.S. $	1.00
Philippines	Peso	9.305
Pitcairn Is.	N.Z. Dollar	1.374
Poland	Zloty (O)	86.85

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FINANCIAL TIMES SURVEY

Science Parks

The rush to set up science parks has led to exaggerated hopes that they can make a quick and vital contribution to the development of high technology in Britain. American experience suggests a more cautious approach is necessary

By Anthony Moreton
Regional Affairs Editor

THERE IS a tendency to believe that science parks are the answer to all Britain's problems. The uncommitted observer might be forgiven for thinking, such is the interest in the subject, that attracting high-technology concerns to sylvan settings will transform the economy.

In the past two or three years there has been a rash of announcements about the inauguration of such parks. Universities such as Warwick, Keele, Surrey, Swansea and Southampton are following in the footsteps of Heriot-Watt in Edinburgh and Trinity College, Cambridge.

The Scottish Development Agency has talked about having five or six in Scotland and the Mid-Wales Development Board is looking at the possibility of one in Aberystwyth.

Local authorities and new towns

Local authorities, new towns and urban development corporations such as the Wirral, Warrington and London Docklands, which lack direct ties with universities, are claiming how near they are to these institutions for their schemes. Private developers are becoming less interested in industrial estates. Science parks are the thing.

The country is rushing, helter-skelter, into a new technological world of laser beams, electron beams, computer hardware and software, microfoils, fibre optic technology and diagnostic reagents.

There are even parts of Britain which proudly, if inaccurately, proclaim themself as the British Silicon Valley. The West of Scotland got very annoyed when Glenrothes and Fife generally adopted the name and the M4 axis towns looked on with amusement.

A bubble which has not been blown up can hardly be said to have burst but there is a grave danger that too high expectations are being put on science parks.

Experience in America, where the parks started 30 years ago, should be a salutary guide. There has been a high failure rate and the benefits take a long time to materialise. Many small high-technology firms have remained small high-technology firms.

One of the problems discovered in America is that small companies, led by brilliantly innovative graduates, are not always the best at marketing their products. For every Hewlett Packard there are countless others which have sunk.

Despite these reservations the experience of those British parks which have been in existence for a few years is sufficiently encouraging to merit further development.

The Cambridge Science Park on the outskirts of the city, set up in 1970 and officially opened in 1975, now houses 25 companies and provides work for 750 people. The number should be up to 1,000 by the end of the year and the park is aiming for around 2,000.

If the local authority planners had been more receptive to the whole idea a decade ago it would have housed the European research centre for IBM, a large employer.

The Heriot-Watt Research Park at Riccarton outside Edinburgh has also got off to a good start. It allows only scientific and technological research and eschews mass production. It claims to be the only research park on a campus site in Europe.


CAMBRIDGE SCIENCE PARK

ON OTHER PAGES

Science parks in Britain appear to have originated not so much as a response to the American model as to the desire of the then Mr Harold Wilson to translate his "white-hot technology" speech, made while Opposition leader in the early 1960s, into practical politics when he became Prime Minister in 1964.

In the second half of the 1960s the Government wrote to all universities suggesting they do more about innovative technology and it was from that initiative that the first steps were taken in Britain at Heriot-Watt and Trinity College in Cambridge.

The different titles, and slightly different approaches, of these two parks lead to an important question of definition. What is a science park?

A pure science park would be one set up within the confines of the university's grounds, where the companies on the park dealt only in pure research and where there was close involvement on the part of the university and a direct interface between academic staff and the companies involved on the park.

It is probable that no such institution exists in the world to meet these criteria, though one or two in America, such as the Research Triangle Park, associated with the three universities of North Carolina, and the University of Georgia Research Park at Athens, Georgia, come nearest to it.

Heriot-Watt is called a research park, merely a synonym for science park. But there are other names. A technology park would be an area where there was a high proportion of applied research, perhaps involving a university: a business park could have a proportion of commercial activities: and an industrial park is often just another name for an industrial or trading estate.

In practice, the title hardly matters. What is of greater concern is the link with the university or other academic institution and the physical layout.

If a science park is anxious to attract in high-technology concerns then it has to lay out the estate in such a way that working and environmental conditions are maximised. Each park sets its own standards but at Cambridge only 20 to 25 per cent of the space is given over to buildings. The rest is services and landscaped surroundings.

Of more importance is the interaction between university and production unit. Dr John Bradfield, senior bursar of Trinity College, says that "a science park should allow for the interchange of ideas between firm and university. If a scientist or technologist comes up against a problem then he should be able to turn to someone in the university for help.

"Many of the companies on science parks are operating at the frontiers of technology and identifying what is happening is frequently a very complex thing. This is where we can help.

"Sadly, there is too little of this meeting of minds. Much of British industry tends to have an anti-academic bias and within the universities there is too often a feeling of not wanting to get hands dirty with industry.

"Fortunately, there have been enormous changes for the better over the last 20 years. There have been huge changes in attitudes within the universities and almost everyone is willing, indeed anxious, to help.

"But I wish that more British concerns would see us in the universities as listening posts for them."

U.S. experience, according to Mr Nick Segal of Job Creation, is that the most common type of science park is essentially a high-quality property development in a strategically excellent business location.

The tenants would then largely comprise mobile R & D and high-technology projects of major companies, university research institutions and small but fast-growing advanced technology manufacturing companies.

That this is what has happened in the U.S. is beyond doubt, despite the failures there. California alone has 15 such parks, Colorado five, Maryland six, Massachusetts seven. Some have become very large, the Research Triangle Park in North Carolina probably having over 10,000 working on it.

American experience and its message

American experience on the whole, though, suggests that it is a long time before numbers rise into four figures and so it would be wrong to expect British parks to be offering an immediate or even medium-term solution to the country's employment problems.

Science parks are necessary, according to Dr Bradfield, so that Britain "shall not slip into the peasant economy category.

"The sheer amount of effort being put into high-technology work elsewhere is staggering. The Japanese have just produced a programme in conjunction with 45 universities.

"The Americans have a $2bn programme linking almost every university and important technology-based company.

"We in Britain are, tragically, failing to capitalise on our research. Fortunately, there are signs of change. The penny is beginning to drop. We have shown at Cambridge what can be done on a well-run science park and if we can do it others in Britain ought to be able to achieve comparable results."

Louise Kehoe in California writes from the home of the world's first and now biggest park

Silicon Valley grew out of Stanford campus

"IF WESTERN industry and Western industrialists are to serve their own enlightened and long-range interests effectively, they must co-operate with Western universities and, wherever possible, strengthen them by financial and other assistance."

Co-operation between universities and industry, as called for in this statement by the late Professor Frederick E. Terman in 1947, provided the seeds for what has become the world's largest and most famous "science park."

Northern California's Silicon Valley began on the campus of Stanford University over 30 years ago. Prof. Terman, who died in December last, held the official title of Emeritus Provost of Stanford University. He is more widely known as the Father of Silicon Valley.

At Stanford Industrial Park on university-owned land close to a hundred high-technology companies now occupy buildings on land adjacent to the university's central campus. They form the anchor for a larger group of close to 1,000 electronics companies located in what is called Silicon Valley — the region extending about ten miles south of Stanford along the San Francisco peninsula.

"Universities are more than a place for learning," Terman said in the 1950s. "They are major economic influences in the nation's industrial life, affecting the location of industry, population growth and the character of communities. Universities are a natural resource."

To prove the point Prof. Terman encouraged faculty members to get acquainted with their counterparts in industry and to co-operate with industry without jeopardising the integrity of the university. Industry engineers were welcomed into Stanford's classrooms. A closed-circuit television system by which lectures were transmitted to corporate offices close to Stanford was established and flourishes today.

Prof. Terman also took a direct hand in encouraging local industry. "I helped five or six of my students establish companies of their own. I assisted with encouragement, advice and ideas." One such student was Bill Hewlett. Hewlett enticed David Packard, another former Stanford student to join him and work for $55 a month in Packard's garage, building audio oscillators — devices that generate signals of varying frequencies.

Hewlett-Packard is today a multi-billion dollar world-wide corporation but its headquarters remain in Menlo Park, California, on Stanford University land.

"A special kind of technological ferment exists here. The closeness of other electronics firms and some very fine universities have produced a business climate where innovation flourishes," Hewlett-Packard's president, Mr John Young, commented recently.

Beneficial

From the beginning Silicon Valley was different. Not only was it based on the new technology of electronics; it also represented the beginnings of a new attitude towards the mutually beneficial co-operation of industry and academia. Reflecting on the growth of Silicon Valley, Prof. Terman said a few years before his death that "in these modern communities of technical scholars there is a continuous ferment which makes them intellectually stimulating for people having the qualities that are the basis for growth industries."

Today the ability of Silicon Valley to go on producing a stream of successful high-tech ventures is a source of fascination world-wide. Prof. Terman had a ready explanation. "In such a community the innovative sources existing in industry are contagious — to a creative mind a new idea coming from outside is likely to make impact in ways that lead us to additional ideas, which stimulates more ideas and mounts new challenges. As long as we maintain the practices that have made us what we are today, there is no limit to the longevity of this situation."

New companies found it more important to locate near a centre for brains than raw materials, transportation, factory labour or even markets—.. so Silicon Valley began.

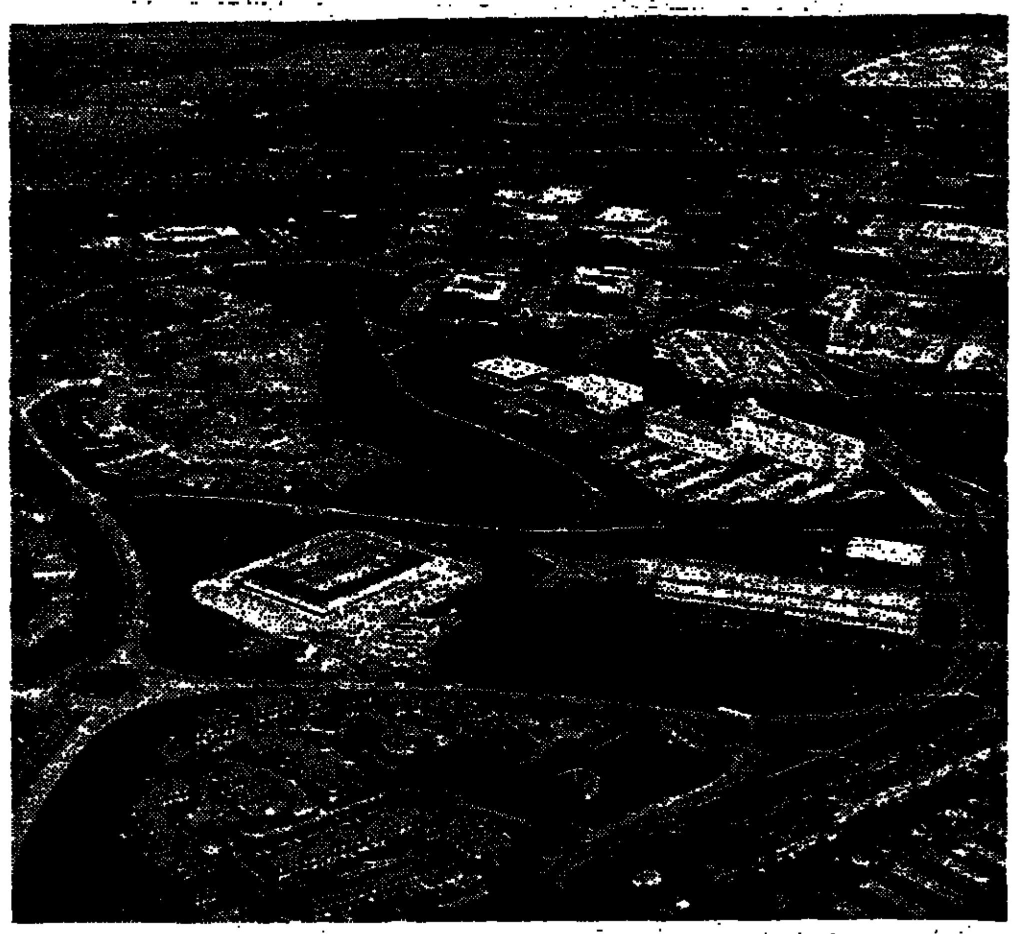
As the homeland of the semiconductor chip industry, Silicon Valley enjoyed extraordinary growth in the 1970s. Towards the end of that decade, however, growth caught up with Silicon Valley. The cost of living within commuter distance of the "valley" became disproportionately higher than in other parts of the country.

Around that time, too, companies that had grown up in Silicon Valley began to recognise that it was much cheaper to expand their production outside the San Francisco Bay area. Equally important, it became evident that the limited supply of talented young engineers was no longer lured by the "climate that God and not the electronics industry gave us" as Prof. Terman had described it, but preferred to live elsewhere, where they could afford to buy a home.

As the biggest, and the original science park, Silicon Valley faces challenges today from a growing number of centres of technology industry both in the U.S. and abroad. It has provided the model on which many have sought to build a centre of technological enterprise and profit.

Although Silicon Valley remains a major centre for new high-technology ventures, it must now compete with other growing technology centres in other parts of the U.S. including Texas, Arizona and New Mexico. These and other states are putting considerable effort into attracting high technology industry — along with the jobs it supports. Either by establishing new research institutes or by allying themselves with established universities, state and regional governments are seeking to attract high-tech industry.

Close proximity to a recognised academic institution is now considered to be a critical factor among electronics companies looking for a site for a new plant. As Prof. Terman put it, "being near a centre for brains is more important than raw materials, transportation, factory labour or even markets."



Warrington New Town's Birchwood Science Park. Heavily funded and promoted as a commercial venture, it is already the home of a sizeable number of high technology companies plus leading elements of the nuclear industry

Nick Garnett on the Warrington success story

Town image transformed

THE BIRCHWOOD Science Park was conceived by Warrington Development Corporation in the early 1970s as a high technology and science-based centre on the model of U.S. parks. Its success has transformed the image of Warrington and the surrounding area of Cheshire.

Along with the Cambridge Science Park and Heriot-Watt Research Park it was one of the first in Britain. Unlike those two, however, it has been a purely commercial deevlopment unconnected to any particular academic institution.

Initial research in California and in and around Boston, Mass., resulted in parks of exceptionally high environmental quality which, since its inception, Warrington has notched up some considerable successes intermingled with a few disappointments.

Birchwood provided 55 acres of developable land on a total of 70 acres with 15 acres used for landscaping. There is really only one three-acre site left for new building so the Development Corporation is busy putting the final infrastructure touches to the nearby 30-acre Science Boulevard site.

Birchwood has attracted 32 companies—17 from abroad and all but one of those with headquarters in North America. Some of the best known names include Digital Equipment Company, Data General, GEC and Bentley (CORR) Nevada.

Those at Birchwood are principally computer and computer-related companies, specialising in electronic instrumentation and servicing the nuclear power industry. No company that has moved into Birchwood has closed or moved out.

The Development Corporation would have liked to attract some large-scale manufacturing operation to the site. This it has not managed to do and much of the site is taken up by headquarters buildings, administration, sales and marketing functions, design operations and staff training.

The present lack of any form of development area status is certainly a handicap in attracting manufacturing, though there is a considerable amount of light assembly work at Birchwood.

The high technology base at the park has been provided by the nuclear industry. British Nuclear Fuels is expanding from nearby Risley into 320,000 sq ft of space at Birchwood for its new engineering design headquarters and will employ perhaps up to 2,000 out of the 5,000 total employment the Development Corporation is aiming for on the site. The science park probably employs around 1,500 at the moment. The northern headquarters of the UK Atomic Energy Authority is also based at Birchwood.

Changing

One disappointment however is that there have not been as many companies springing up on the back of the nuclear industry as planners hoped. This may now be changing, however.

Genesis is a two-storey building complex providing high-quality office and demonstration suites and housing around 20 companies. A phase-two development at Genesis will provide around 65,000 sq ft of space aimed primarily at start-up businesses.

A relatively new development is the letting off by a private company of what are in effect "work stations." One of these desk areas has been taken up by Business Environments, created by two former members of the Development Corporation who worked closely with the establishment and selling of the science park. This company which specialises in industrial location advice, recently completed a study for the South Australian Government on a technology park in Adelaide.

Stanford and Spencer Houses each provide around 55,000 sq ft of high-grade office accommodation.

The spread of accommodation on offer is very broad from a Development Corporation which not only puts up speculative buildings for letting but designs and erects purpose-built accommodation as well as allowing private development.

The smallest units on the site go down to 400 sq ft. For offices, the rent at Genesis is around £5 per sq ft and at Stanford £4.75 to £5. Typical land purchase rates for 125 to 150 year leases is around £70,000 per acre.

Birchwood, an environmental award winner, is served by a comprehensive range of facilities at the Development Corporation for assisting companies to locate and expand at the science park.

There is a first-class motorway network on hand, Manchester International Airport is only a short distance away and the North West is the home of some of the country's principal technical higher educational institutions.

The Corporation has a U.S. agent in New Jersey assisting in "selling" the science park, which partly accounts for the relatively large number of U.S.-owned companies at Warrington. The Corporation has also been running a very heavy advertising and promotional campaign, particularly on television.

Anthony Moreton reviews progress in Britain

Numbers on the increase as enthusiasm grows

IT IS a pertinent reflection on how long it takes to get almost any significant project off the ground in Britain to realise that while there has been a clutch of science parks unveiled since 1980 the whole idea was set in motion some 15 years ago.

British science parks were not created in response to any concept that first saw the light of day at Stanford in California in 1951. They came about as a consequence of the desire by the then Mr Harold Wilson, Prime Minister after the 1964 election, to forge a white-hot technological revolution.

Mr Wilson had made the desire to create a technologically advanced Britain a centrepiece of his election programme that year and when he moved into Downing Street as Prime Minister he followed with a letter to all universities.

But that was not immediately. The demands of the economy, the serious run on sterling and the eventual devaluation occupied most of his Government's time in the early months and it was not until after the election of 1966, when Mr Wilson won an overwhelming majority, that his Government took the initiative on science parks.

Whether he or his Ministers or their advisers knew about the American experiment which was by then getting under way—there were reputed to be 82 science parks in operation there by the early 1970s—is unknown.

What is known is that by the early part of the second half of the 1960s, somewhere around 1966 or 1967, the Government was writing to all universities in Britain suggesting they do something to encourage the growth of high-technology concerns.

That initiative was quickly seized both at Cambridge and at Heriot-Watt in Edinburgh. At Cambridge a committee was set up with Sir Nevill Mott, the Cavendish Professor of Experimental Physics, as chairman and Dr Ian Nicol as secretary. Late in 1969 it recommended a moderate increase in science-based industry close to the city—it could not be provided within the city because of the lack of land available—to take maximum advantage of the concentration of scientific expertise, equipment and libraries within the university.

The Council of the Senate expressed general agreement with the report and Trinity College, with its large legacy of scientific achievement, quickly seized the opportunity to promote the scheme.

Apart from Edinburgh, progress elsewhere was slow. Brunel, on the western outskirts of London, had had ideas for a science park as far back as 1960 but nothing very much happened until more recently.

It has been in the past two to three years that a sort of tidal wave of enthusiasm has emerged for these parks. The Scottish Development Agency is talking about creating five north of the border; in 1981 two were announced on the same day; last year some 15 were announced.

Universities from Keele in the north, through Warwick to Southampton, not forgetting Swansea in Wales, have unveiled plans or are on the verge of doing so. Local authorities like the Wirral, Berkshire and the Greater London Council have joined in. Private organisation such as Aztec West, which has a project in Bristol are active, though some of these do not strictly qualify as science parks.

Committed

The biggest, best promoted and most heavily funded park belongs to a new town. Warrington's Birchwood Science Park is fully committed and the authority is now looking for tenants for its Boulevard Science Park. It has plans for a third park, though there are doubts whether these would meet the strictest interpretation of the definition of a science park. But, then, what is a science park? Who has defined the concept anyway?

What is indisputable is that Britain has now a small number of areas which are, whatever their name, given over to the pursuit of high-technology industries. Before long it will have a lot more. Given the need to encourage the development of such industry this can only be a good thing and must please the now Sir Harold Wilson.

Rhys David takes note of the relatively slow response of the private sector

Only a handful of private schemes

TURNOVER in computer related products over the next decade could on some estimates rise worldwide from an already massive $50bn per year to more than $150bn, creating with it an equally large demand for high-class factory accommodation.

Britain's universities and local authorities—both with an eye on the job and revenue potential that developments on this scale would bring—have responded with plans for no fewer than 30 science or high-technology parks. The marketing claim for all of them is much the same—the provision of conditions in which established large or medium-sized electronics and other sophisticated businesses can develop their activities in the UK, or in which the small business, which could be tomorrow's IBM, can flourish and grow.

Not all the parks being developed in this way will have the right combination of facilities and location to succeed. Equally, a mainly public sector response to the challenge of providing the accommodation which modern electronics-based industries will require is unlikely on its own to be nearly enough.

For a variety of reasons, however, the private sector has been relatively slow to move into the provision of facilities for high-technology industries. Only a handful of private sector schemes have emerged, reflecting in part the caution which is also being shown by institutions such as pension funds in providing support.

Mr Nicholas Owen, senior partner of Herring Son and Daw, chartered surveyors. His report last year discussed the property needs of modern industry

Rewarding

The problem is the commercial one that it is usually much more rewarding, and in planning terms often much simpler, for the developer to put land to warehousing or light industrial use rather than to develop it for high technology purposes.

First the economics. Land costs in the UK, compared with the U.S. where the science park concept was pioneered, are relatively high, particularly in the environs of the big cities where high-technology developments will need to be if they are to work closely with academic institutions and take advantage of facilities such as airports.

At the same time, to create the type of environment which is likely to prove attractive to electronics, biotechnology and similar concerns, building density has to be low—possibly as little as 30 per cent compared with perhaps 50 per cent in a warehousing scheme.

"If a developer acquires land it is usually expensive and he will almost always come under pressure to let it off to the first occupier who comes along. What developer is going to see his site eating its head off in interest charges and turn away a prestigious warehouse development?" Fred Roche, managing director of consultants Conran Roche, asked at a recent Town and Country Planning Association seminar on science parks.

Private sector science park developments also have to surmount sometimes severe planing obstacles, particularly in the South East of England—the area where such schemes are most likely to reach viability.

High-technology companies will generally be looking for a degree of flexibility between office, reseach and development and manufacturing space but the way many local authorities apply planning controls can make this difficult to achieve.

Another disincentive is provided by the existing capital allowances structure which has yet to reflect adequately the increasingly blurred lines which now exist between manufacturing and office operations. Building allowances are only available for office space provided it represents no more than 10 per cent of total costs.

The result of these constraints has been to confirm the institutions in their policy of backing relatively safe developments in light industry and warehousing based on standard factory units. These have the advantage of easy comparability of rent levels with similar property in the same area, ability to re-let should a vacancy occur and—compared with a science park development—relatively undemanding management requirements.

"In an area of scarce land like Southern England, the developer opts to build, let and sell traditional standard institutional buildings—town centre office blocks and warehouses, or smaller standard industrial units. An industrialist hoping to build his own specialist factory must, therefore, look outside the main areas of good demand in the South East or seek to purchase direct from a public authority whose objectives are not only to get the highest land value but to attract industrial employment," Nick Owen, of chartered surveyors, Herring, Son & Daw, observed in a report last year on the property needs of modern industry.

Yet while the private sector is showing caution a number of developments are now going ahead, suggesting a change in attitudes may be taking place. At the same time the Government is being bombarded with a variety of suggestions as to ways in which the difficulties suffered by private sector developers of high-technology property can be eased.

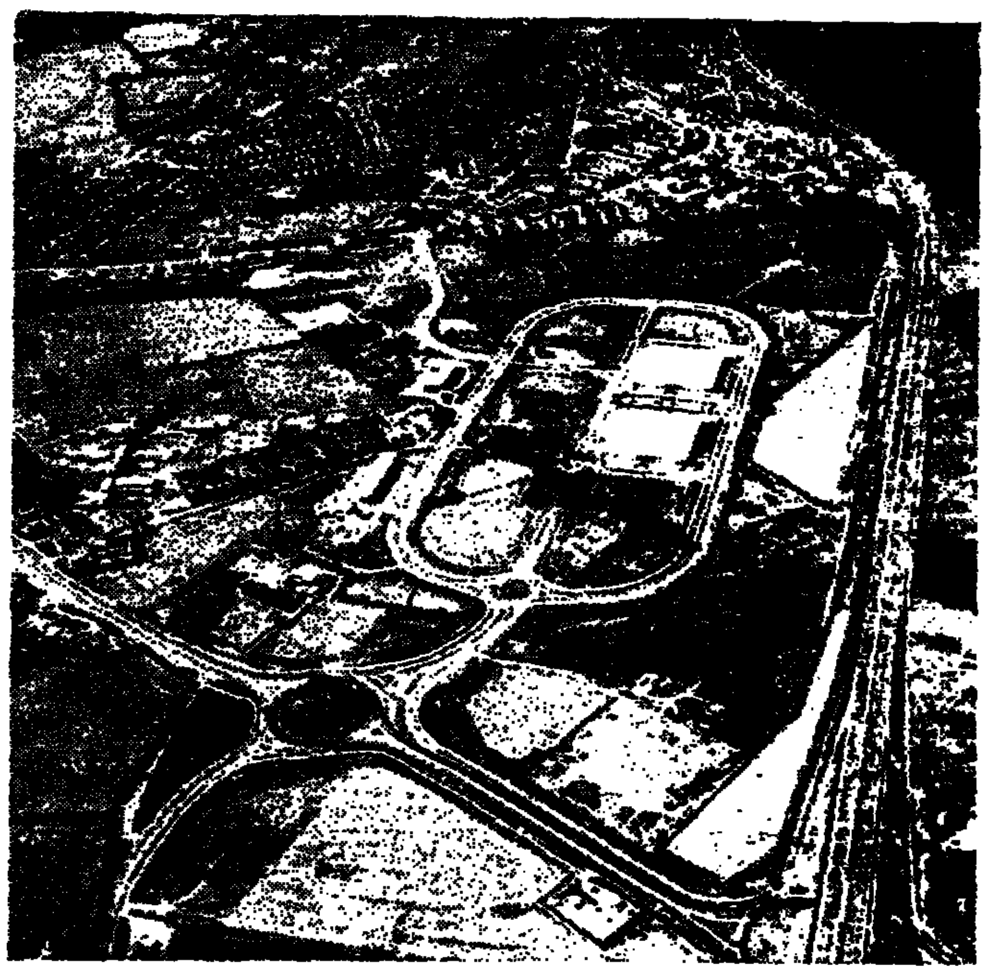
Wide spectrum

At Aztec West near Bristol a developer, Electricity Supply Nominees, willing to take the long view and—working closely with the local planning authorities—has been able to create an estate to a very high environmental standard and open to a relatively wide spectrum of users prepared to pay somewhat extra for better facilities.

In Swindon the Kuwaiti-owned St Martin's Property Corporation is also planning to spend up to £100m on its Windmill Hill scheme which, while not specifically billed as a high technology park, is likely to incorporate high environmental standards and attract electronic companies. The Carroll Group also has prestige industrial accommodation planned for sites in the south of England.

Other developers seem certain to follow once the evidence of demand for more sophisticated forms of industrial and office accommodation to suit the needs of electronics concerns becomes established. In many cases the mechanism is likely to be local authority-developer partnerships with the local authority or other public body making available land acquired at low historical cost with certain conditions attached as to the type of development to be allowed.

Changes in planning legislation, including a new class of planning use specifically tailored to high-technology parks are also thought necessary by some property specialists, though there is some argument over whether local authorities could already use their powers more flexibly than they presently choose to do. The case is also being argued for a new funding vehicle to which the institutions could contribute and which would enable them to spread their risk.



Bristol's Aztec West, a major development aiming to attract companies which place a high priority on, among other things, a high quality environment (See article on Page IV)

Tim Dickson explains why institutional investors are tending to hold off

Matching ventures to commercial criteria

FOR ALL the talk about science parks as the breeding ground for the companies of tomorrow, UK financial institutions have so far shown themselves extremely wary of backing new projects with hard cash. Committed science park disciples barely hide their scorn for the "cautious" and "hidebound" fund managers who continue to pour millions of pounds into traditional industrial property. But the guardians of our future pensions and with-profits insurance contracts generally counter that the concept has not yet been fully tested and that the risks are too high.

So far there has been a limited amount of investment in "high tech" industrial units but interest in what some would term "pure" university-based parks is almost negligible. Barclays Bank is a notable exception, having provided £1m for the first building of the Warwick University science park.

The explanation for institutional investors' reticence lies in the customised nature of units and fear that they would not be relettable in the event of tenant failure. Fund managers also feel that buildings could become technologically obsolescent well before their physical life has run its course, while the absence of track records and involvement in properties with mixed office, industrial and warehousing accommodation are among the other hang-ups.

Advantages

John Parry, managing director of Commercial Union Properties, the property arm of the CU, represents an institution that has taken considerable interest in science parks but which as yet has not committed any cash. "The advantages are clear," he says. "You are dealing with a high standard of building, located in a nicely landscaped environment close to a centre of academic excellence. The UK, moreover, has got to be positive about developing its science based industries."

The problem, says Parry, is extending institutional investment criteria to accommodate the science park concept. "It is a new idea and still very early days. I can't see one fund going in on its own to do a whole park, though there should be scope for a mix of funds.

"It is all very well for people to criticise the institutions for being slow to participate but there are problems in our way. Planners need to take a more flexible attitude, as do some of the universities, which are adopting a somewhat stereotyped view of what they want."

Commitment

Commercial Union is talking seriously to one academic institution about the possibility of helping develop a 10-acre site. Its commitment could amount to about £2m if the deal goes through.

Michael Mallinson, joint chief surveyor of the Prudential, is another defender of institutional attitudes pointing out that efforts are being made to find acceptable ways to finance the new generation of developments. The Pru is currently set to back what is termed a "technopark" on a derelict two-acre site at the Elephant and Castle in South London—a project, Mallinson explains, which does not really reflect the science park concept. The centre is designed to act as an incubator unit for small high-technology businesses near the Polytechnic—but tenants will have to move on to other locations once they have found their feet.

This scheme is subject to a public inquiry next month following a late change of mind on the site by Southwark Council but the Prudential which is proposing to inject £4.5m is hopeful consent will eventually be obtained.

"I really doubt whether there is anywhere in Britain at the moment which you can call a science park as they would understand the term in the U.S. The scale over there is totally different where they have vast tracts of land. Given the relatively small size of Britain I wonder whether there is really a need for science parks."

Others may not go quite that far in comment but they are certainly sceptical of the benefits. To overcome this the Multinational Management Group, an American venture capital organisation, has been developing the idea of a consortium to spread the risk.

Rhys David reports on a large commercial development which aims at rather more than the standard science park set-up

Bristol's Aztec West plans to furnish top environment

"AZTEC WEST" is open to a lot of interpretations: Mexican Indians in Shoestring country, gold waiting to be discovered in Bristol's outskirts, or more prosaically the A-Z of technology.

The name was selected because it could mean all sorts of things without meaning anything in particular, and because it could offer strong graphic possibilities. And the measure of its success is that it has managed to place the Electricity *Supply Nominees* (ESN) scheme, off the M5 and A38 in the county of Avon, firmly on the property development map.

In keeping with the name, the 170-acre scheme itself is somewhat unusual. It is not just another science or high-technology park similar to the many others now springing up throughout the UK. Though the first companies to move in are in computer-related businesses, it is designed to cater for any company which places a high priority on a top quality environment.

It is also unusual in that the plan incorporates—thanks to the liberal approach adopted by the local council—a very high office content of some *500,000 square feet. Some 30,000* square feet of office space has already been taken by the U.S. concern Digital Equipment.

ESN's starting point was a *desire* to increase its small stake in industrial property but to do so with a scheme that would stand the test of the next decade in terms of facilities.

"Industries, particularly those associated with future growth such as high technology, change very rapidly and their property requirements also change. Therefore we have to design industrial buildings which will be available and acceptable to today's market, as well as flexible enough to be adaptable to the needs of industrialists in, say 35-40 years." Christopher Whyman, ESN's chief surveyor, points out.

The approach adopted, therefore, has been to offer units—initially 8,000 sq. ft. to 80,000 sq. ft., but with smaller premises down to 900 sq. ft. in the next phase—which provide highly flexible lay-outs which can be switched between types *of use as companies grow.*

At the same time these are being encompassed in an environment substantially superior to that of the con*ventional industrial estate* and capable also of attracting office employers. This in itself simply reflects, according to ESN, one of the changes taking place in industry as a result of the electronic revolution—a blurring of the frontiers between manufacturing and office processes.

Objectives

The way in which the objectives set for Aztec will be achieved is through a much more comprehensive system of *estate management than has* hitherto been practised in Britain. "The size and scale of Aztec West means that estate management has to be handled with care in order to protect and enhance the quality of the environment," comments Peter Redhead of Richard Ellis, the estate's managers and joint letting agents.

The *estate* management will look after, as part of the services it provides, not just the common areas such as roads and pavements but semi-private areas *such* as tenants' forecourts and car parks. Tenants, as a result, are left to concentrate all their attention on what happens inside their buildings.

Common security services are also being built into the site. A ring main circles the estate, to which tenants can attach their burglar and fire alarms, computer room temperature control gauges, and similar monitoring equipment. Closed circuit television will also scan the site, reporting to the centralised security room, and tenants can arrange for parts of their installations to come under surveillance.

Other amenities being built in to cater for a working population estimated as ultimately likely to be between 5,000 and 10,000 include a "village centre" with bank, post office, small supermarket, restaurant, taxi and bus service, travel and forwarding agents, dentist, and medical centre.

Landscaping will also be of a high standard: a country lane running through the site is *being preserved* as a *service* road and there are lakes to which it is hoped wildfowl can be attracted, fountains, a running track, and other leisure amenities.

Other services will be added in line with demand and could include a maintenance team for carrying out tenants' small building and repair jobs, cleaning services, central canteen facilities, common secretarial help and office equipment rental.

Economies of scale will keep down the cost of these services, which will be available more cheaply than if tenants bought them separately, Peter Redhead argues. The estate will, for *example, have enough land*scaping work to justify employing its own specialist team.

"The size of Aztec West provides for economies of scale which allow us to offer above-average site management and maintenance services without the tenant having to pay above-average service charges. Tenants are in business to run their operations successfully and not to worry about cutting the grass or keeping the place secure from intruders, Christopher Whyman observes.

Slower rate

The novelty of this approach and the slightly higher rentals which are being charged—£2.75 per sq ft as against £2.50 for light industrial accommodation elsewhere in the Bristol area—has had to be paid for by the developer in terms of a slower rate *of lettings* than had been hoped for.

Marketing started before the development began and lettings have been taking place from *April this year. So far, how*ever, only three tenants have moved in—Venson, a French computer group, Digital Equipment of the U.S. and GEAC, a Canadian electronics group. Another two companies are close to taking space, Richard Ellis say, and negotiations are in progress with a further 20 potential clients.

According to Guy Burton-Smith of Richard Ellis, many companies looking at the estate over recent months have indicated they will be back when the market begins to pick up. He remains confident of rapid growth by the time of the first rent review after five years. "Aztec will still be modern long after then," he observes.

To preserve the quality of the estate, too, he points out, the developers have been prepared to turn away tenants who plainly would not fit in with the image being projected, including for example cash-and-carry operators. Warehousing concerns as such are not excluded, providing they come to *Aztec West* because they have identified a high quality environment as one of their requirements.

Development of the estate is costing some £10m in the first phase and could ultimately cost £50m, *spread over perhaps* five to eight years. ESN has indicated that it intends to hold on to the estate as a permanent investment rather than sell it off, though *it is hoping it* can attract other institutions to take a share in the development.

The pace at which the estate fills up and the type of tenants *it attracts is likely to depend* on the speed with which the recession comes to an end and on the competitive position of Britain over the next few years in the *battle to win high technology* investment.

Location is seen by ESN and Richard Ellis as one of Aztec West's main assets, giving it a better chance of taking off than many other developments. "It is a part of the world where everyone wants to work and hence where it will be much easier for modern industry to recruit the staff it wants," they say.

Anthony Moreton traces the success elements in Cambridge Science Park

Steady growth rewards pioneering effort

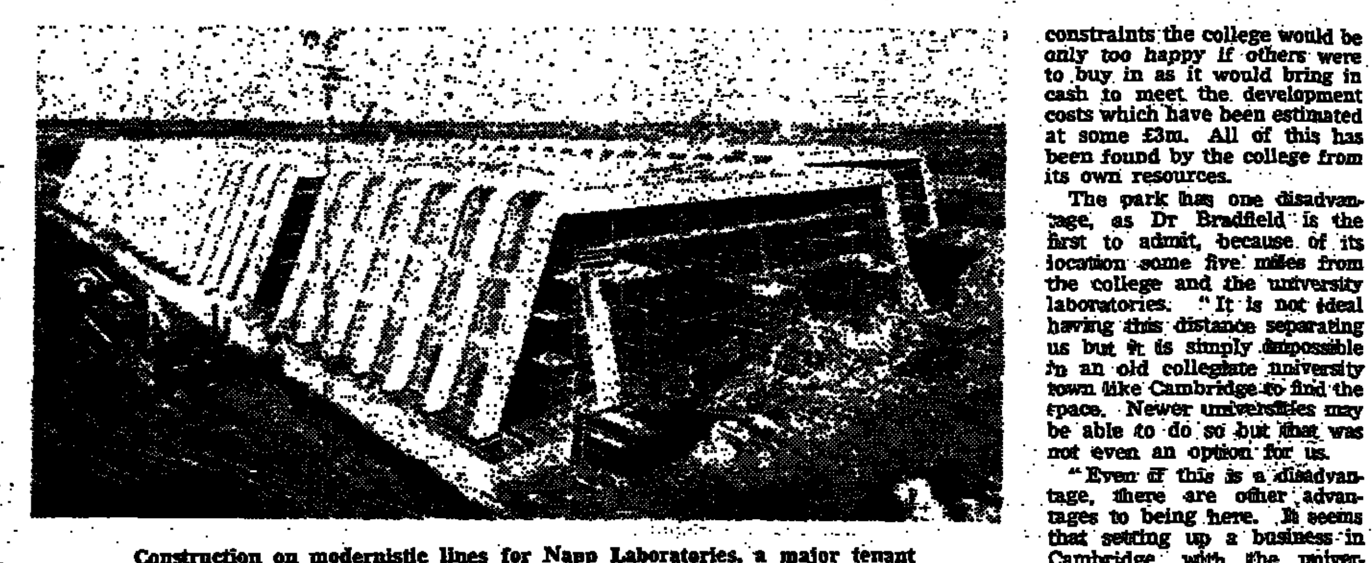
JUST AT the point where the A-10 to the cathedral city of Ely runs out of Cambridge is to be found the oldest science park in England. "Oldest" is a relative term. The Cambridge Science Park was set up just 12 years ago, in 1970, and opened in 1975 on a 110-acre site that had belonged to Trinity College since the Middle Ages.

The park is sometimes known, popularly, as Trinity science park, a phrase which brings no little pleasure to the city's largest college, since it was its initiative in responding to a university report which enabled it to create such a park ahead of other colleges.

The Cambridge Science Park also shares the distinction of being one of the two oldest in Britain, the other vying for that distinction being Heriot-Watt in Edinburgh. "There is no clear evidence which was the first." according to Dr John Bradfield, senior bursar of Trinity, who with Mr John Tweddle of Bidwells, a firm of chartered surveyors in the city, runs the park.

Outstripped

"So we just say that Heriot-Watt was the first in Scotland and we were the first in England and we were both the first in the UK." Whichever eventually gets to be awarded that accolade from historians, the Cambridge park has outstripped all others in development. It now houses 25 concerns, 24 of them in pro*duction, and is negotiating with* another three, all of which are *expected to be on site or having* a building erected by the end of this year.



Construction on modernistic lines for Napp Laboratories, a major tenant occupying phase two of development in its entirety

The first 25 have filled phase one of the development, which covers some 28 acres; phase two, another 28 acres, has been taken in its entirety by Napp *Laboratories, a producer of* ethical pharmaceuticals specialising in slow-release drugs, owned by two American psychiatrists, whose building *must be a prime candidate for* any future architectural award; and the three newcomers will go to phase three, another 26 acres. The remaining space is parkland.

The park has already led to the creation of some 750 jobs in the city and when Napp opens the total will be nearer 1,000. When the park is completely occupied it has been estimated that some 2,000 will be employed on site—though, as Dr Bradfield says, "pure numbers was never the sole aim. We wanted to establish a science-based centre in Cambridge."

It is perhaps appropriate that Trinity should have been the first to see the advantages of the concept of a science park. It has over the centuries been the home among others of *Isaac Newton, Sir George Airy,* the astronomer, James Clerk-Maxwell, who predicted electric waves, Sir J. J. Thomson, the physicist who established the existence of the electron and was also Master for 22 years between 1918 and 1940, Lord Rutherford, the physicist who first split the atomic nucleus, and Lord Adrian, another Master (1951-65).

The firms and the men and women who comprise the park may not yet rank with such eminence but they are all involved in the world of high technology. Bethesda Research Laboratories is involved in genetic engineering, molecular diagnostics and instrumenta*tion; Cambridge Mass Spectro*metry in electromagnetic radiation test instruments; Laser-Scan Laboratories, the first tenant, in laser deflection technology; Intervet Laboratories in veterinary vaccines; Optronics in fibre-optics communication systems; and Ultra-Violet Products in ultra-violet light sources.

Mr John Littlechild, who with his brother David runs Nobelight, which produces high-speed giant flashlamps, says that "what we are doing is always *pushing the frontiers back.* We do not always know why something happens but we know it is new and it has advanced implications and through our links with the university we will find the theoretical base for our work." Nobelight hopes to be in a purpose-built building on phase three of the park by the end of this year.

Purpose-built buildings are the exception rather than the rule. Cambridge Consultants, the largest firm so far with a staff of 140, half holding doctorates, bought the land and put up its own building, as has Napp. Nobelight will be only the third to follow this course.

The more usual system is for a company to take a 25-year lease and pay a rent to Trinity, though because of financial constraints the college would be *only too happy if others were* to buy in as it would bring in cash to meet the development costs which have been estimated at some £3m. All of this has been found by the college from its own resources.

The park has one disadvantage, as Dr Bradfield is the first to admit, because of its location some five miles from the college and the university laboratories. "It is not ideal having this distance separating us but it is simply impossible in an old collegiate university town like Cambridge to find the space. Newer universities may be able to do so but that was not even an option for us.

"Even if this is a disadvantage, there are other advantages to being here. It seems that setting up a business in Cambridge, with the university's unrivalled facilities on hand, makes it relatively easy for a start-up operation to raise finance. So somebody with an idea can get a flying start here."

That start takes place in surroundings which can compare with the best that America offers. For every five square feet of space in the park one is given to roads and other services, one to the central amenity area and three to the company's plot. The plot itself must comprise one square foot of building space and two of surrounding landscaping.

Involvement

The other weakness, Dr Bradfield feels, and this is common to all the British science parks, is that there is too little interface between company boards and academics. "Not many companies have invited people involved in university life, particularly research, to join their boards. More's the pity. In *the U.S. there is a close involve*ment and I think both industry and university there gain from it."

As a small step Trinity is sponsoring a scheme by which a company will take on a member of staff who will spend half his time with the company and half with a department of the university. The person will be on the staff of the company but Trinity will find half the salary. It hopes to have the first two appointments by the start of the academic term next October.

It is also looking to the provision of a central building where those employed on the park can come together, either formally or informally, and so not only contribute to an esprit de corps but also perhaps contribute their knowledge to each other. Such a centre will not, of course, rival any of the colleges but who knows what history, after, say, four or five centuries will make of the idea?

Ian Hamilton-Fazey *tells how an old university building* **has been given fresh life**

Innovation centre forms Merseyside link

IN THE 50 years since Sir James Chadwick discovered the neutron and won a Nobel Prize, Merseyside has suffered cataclysmic decline. Now, in the very building where Chadwick housed his cyclotron, people are fighting back. Their philosophy is simple; regeneration through invention.

Liverpool University's old physics building was about to be demolished when the idea was mooted in 1981 for a Merseyside Innovation Centre. The land it stood on had been bought by the Roman Catholic Church for the processional way to its new cathedral but the Church agreed to wait 20 years so that the building could get to work again.

An innovation centre is another way of linking academia with the commercial world. Like the science park, its fundamental currency is ideas. Merseyside's innovation centre—there are similar ones in London and Hull—is already demonstrating how the concept works.

Traffic in ideas is two-way—from academia to commerce and vice versa. On Merseyside academia includes the university and Liverpool Polytechnic, with both institutions contributing resources and access to a network of specialists. Cash funding has come from Merseyside County Council, the Inner City Partnership and the Department of Industry, with the county providing £96,000 of running costs totalling nearly £160,000 a year.

Mr Michael Shaw, a former chemist and agriculturalist, markets the centre to industry and commerce as a professional technical consultancy, in effect acting as agent for the academics in university or polytechnic who wish to participate. So far the centre has carried out 17 projects on this basis, at an average fee of £600 each.

Catalytic

The centre also has nearly *10,000 sq ft of space available* for new infant companies, each with a high technology base, which can benefit from being on Liverpool's city centre campus. This is seen as the centre's nursery function, encouraging growth until the companies are strong enough to move out.

Six companies — the first batch — are about to move in. They cover the fields of computing, alternative engineering for the Third World, irrigation pumps, computer graphics, bio*technology, robot voice syn*thesis and loudspeaker design.

The centre, which has seven full-time staff, is also active in its own right and has deliberately set out to achieve excellence in computing, biosciences and robotics, areas where it hopes to sprout its own companies eventually. Here its catalytic value soon becomes apparent.

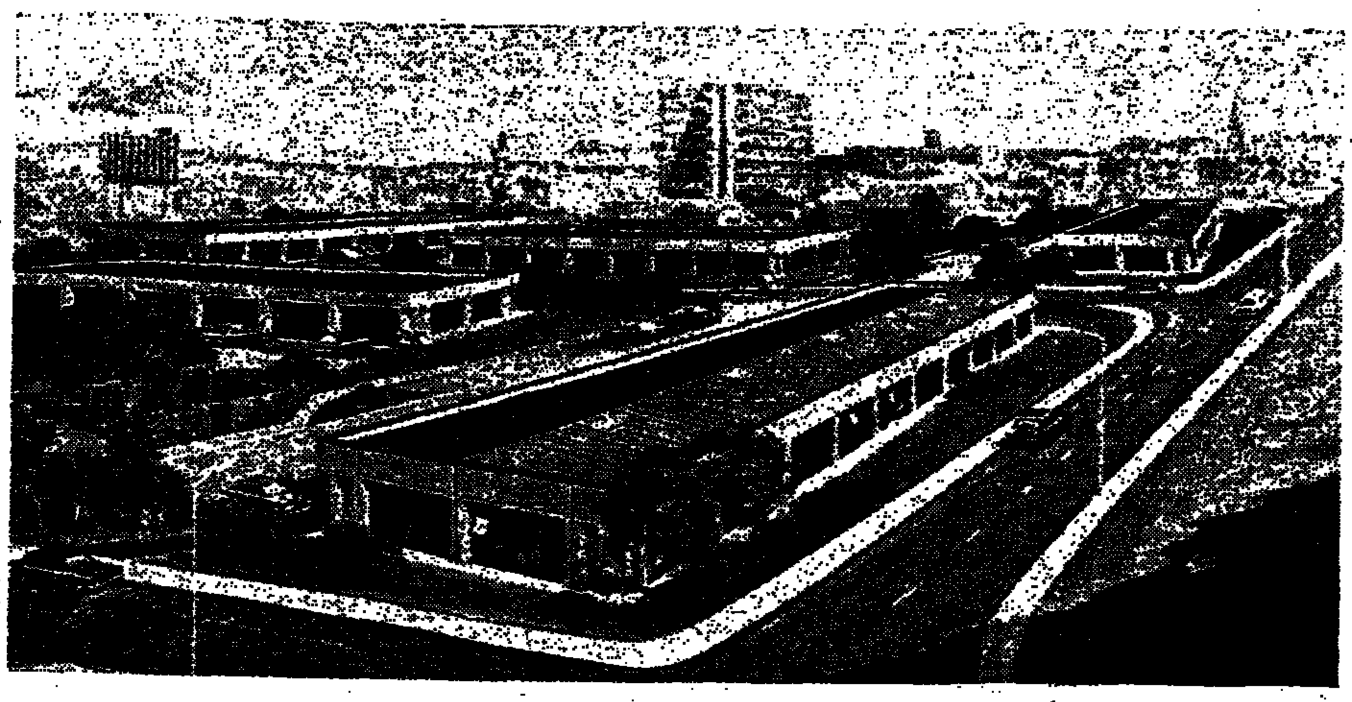
In computing, for example, it has access to four mainframe machines and a host of specialists. Its training programmes are for people in industry with computing experience whose minds can be opened to advanced technology. Its consultancy services are designed to guide industrial buyers through today's jungle of promotional messages from manufacturers.

There are 23 academics from university and polytechnic involved in robotics and the centre is the regional consultancy for the Government's robotics programme. The plan is to design robots for local industry on a fee per project basis.

In biosciences, however, developments have been *stymied so far by funding difficulties.* The centre wants to bring about the commercial development of monoclonal antibodies for use in human diagnosis but venture capitalists have so far been unwilling to take the risks involved, especially since pay-back could be years away.

Nevertheless, the centre — which was little more than an *idea itself only 18 months ago* — is developing with impressive speed. It has been easier to set up than most science parks and has not required large public works or capital programmes. Since it has only drawn resources from its immediate environs — where it will also do most of its work — similar innovation centres could probably be repeated in other cities with little risk of wasteful duplication.

However, it is unlikely to fulfil one hope of its backers — that inventors would be able to walk in off the street and find a way to develop their ideas. "Everyone like that has either been a nutter or re-inventing the wheel," Mr Shaw says. Like the man who had the idea of a cream that men could rub on the face to stop whiskers growing. "What's the formula?" asked the man at the innovation centre. "Oh, I haven't got the cream," came the reply. "I've just brought you the idea. Your job's to work out how to do it."



Artist's impression of the proposed Listerhills high technology development in Bradford

Mark Meredith reports on aims north of the Border

Scotland sees attraction for new industries

THE CONCEPT of science parks fits in well with development plans for new industrial bases in Scotland. High-technology industries are being actively promoted to help replace the declining heavy engineering sector and despite the recession the fruits are starting to show. The electronics industry alone, for instance, accounts for about 40,000 jobs in over 200 companies.

Scotland has six science, research or high-tech parks, with another, at St Andrews University, planned—although the purists would only see two or three as science parks in the true sense of the word.

The parks which come closest to the "pure" criterion are Heriot-Watt Research Park in Edinburgh and those in Glasgow and Aberdeen which have the active involvement of the Scottish Development Agency (SDA).

Heriot-Watt University claims that its park is the only one on a campus site in Europe. The 50-acre site has a strong emphasis on applied research, especially in the manufacture of prototypes and small batches. Among its tenants are Syntex Pharmaceuticals — which has invested £7m in its research centre there employing 100 people—Computer Application Services, Edinburgh Instruments and Micromesh.

Dr Tom Johnston, principal of the university, says that the University Grants Committee realises the potential of the park and he is anxious to build it up as quickly as feasible.

The importance of the park lies in the fact that no manufacturing can take place and that, unlike Trinity, Cambridge, land is available only for lease. In return, the scientists and other workers have access to all the university's facilities.

The long-range economic planning of the SDA is not only to promote the science parks to help launch new high technology companies but to provide follow-up facilities as well which would see good ideas taken from their research and development phase in the science parks on to other "parks" such as the technology park planned for Dundee, where projects can be brought into commercial production.

Bulldozers are already on site in the first phase of the West of Scotland science park in Glasgow. Ultimately the site will offer 180,000 sq ft of floorspace. The cost will be something in the order of £6m and the project could create 500 jobs.

Priority

Planners acknowledge that job creation at this level is not a key priority—that should come later as ideas reach the manufacturing stage.

The West of Scotland park combines the resources of the city's two universities, Glasgow and Strathclyde, in the one park. Both have considerable strength in the field of high technology. Dr George Mathewson, chief executive of the SDA, has said that the park could help counter the brain drain and provide a spin-off of local technical ingenuity into new and seedling companies as well as into existing manufacturing companies seeking new products and technology."

One feature of the parks—as elsewhere—is close attention to a good environment. The laboratory units in the West of Scotland's science park have been planned to blend in with the line of trees at the parkland site in Glasgow's north-west Bearsden area.

It is expected that demand for science park accommodation could come from companies in electronics, advanced optics, instrumentation and biosciences, high-technology manufacturing, specialist chemicals and precision engineering.

The development manager for the park has already received inquiries from companies in a number of these fields. The SDA will have a special innovation fund for science park projects to provide extra risk capital for small-scale projects with commercial potential.

Further financial development could involve equity investment by the SDA, which also actively encourages joint venture and direct participation by the private sector.

The $2m project at Aberdeen is attached to the university. Planning permission has been sought to develop a 55-acre site on the River Don. The park's orientation will be towards the city's oil and gas industries, although it is also hoped that the non-oil sector industries traditional to the area, such as textiles and paper, will also be encouraged.

Elsewhere in Scotland, Stirling University's plans for a science park came into prominence with an announcement by the Wang Corporation that it was investing £38m in an office automation factory on the site and Livingston has set aside 25 acres for the development of high-technology concerns. St Andrews University is to lease a small plot to the SDA for high-technology development.

Alan Cane discusses Southampton University's scheme

Strict planning conditions

SOUTHAMPTON UNIVERSITY is tackling the creation of its science park in a rather different manner from that of other universities. First, it refuses to use the name science park on the grounds that the term is becoming devalued. Instead the 27 acres or so of land around Chilwell Manor, eight to 10 miles from the main campus, will be known as the Centre for Advanced Technology . . . if the university can get the necessary planning permission.

"This is our chief problem" says Professor John Large, Dean of the university's Faculty of Engineering and the driving force behind the development of the centre.

"Our site is in the middle of the most affluent part of the whole area and the local residents are extremely resistant. It so happens that three different authorities have an interest, the city (which perhaps is suspected of being big business), the county and the Test Valley Authority."

They are setting very stiff conditions and they are absolutely insistent that no manufacturing should take place on the site. "We have another meeting with the Test Valley soon and I am very hopeful that the necessary planning permission will be given."

What Professor Large is hoping to establish is a centre which grows from within the university rather than by companies moving in from outside—"although we would not turn them away."

Installed

The first company, Stewart Hughes, is already installed in Chilwell Manor House and Professor Large believes he has enough prospective tenants to make the first phase of the centre's development economically viable. The university is being advised by Richard Ellis, the estate agents and development consultants.

The university already has a sound tradition of consultation with industry through consultancies established in each department. That was initiated with the help of a grant from the Wolfson Foundation. Now some of the departmental consultancies are as many as eight-strong, with international reputations. So the university is looking for companies that will bring benefit to the university—either through a base in university research or in university services.

Stewart Hughes is very much a model of the kind of company Professor Large wants to see established on the site. It was set up by students from the Institute of Sound and Vibration (of which Professor Large used to be director) at the university and it makes devices—black boxes—to detect the difference between healthy and sick machinery.

Prototypes are made on site. Production runs would be contacted outside the centre and the whole enterprise is based in high technology and collaboration between the university and the company.

The IBM Hursley laboratory is in the area and Professor Large believes IBM research staff might be encouraged to go it alone and establish their own companies in the centre along the lines of Silicon Valley in the U.S.

There will be no subsidies. The university is contributing between £2m and £3m in the form of the site and rents from the first tenants will underpin the finances for the first phase.

Professor Large says: "We are different because we are small, because we are anxious not to be swamped by large enterprises — although we are perfectly prepared to talk to companies of that sort — and because we want to be self-generating."

The kind of companies that will fit best into the centre are microelectronic engineers and software specialists. The parish council should find that acceptable, Professor Large hopes.

Incomer finds helpful base

ONE OF the unexpected benefits a small energy management company has derived from its move to the Cambridge Science Park is in the area of marketing.

The managing director of the company, Freeman Enercon, is Dr Euan English, himself a Cambridge graduate, who admits that the move two years ago was a gamble in view of the considerable additional cost of the 5,000 sq ft premises the company occupies.

The company moved there in early 1981, when it was at an early stage of its growth, but as part of the Freeman Group of companies it enjoyed considerable security.

The cost of the premises was around 50 per cent more than a comparable building elsewhere. The formalities of proving that the company was suitable for the site were also intense but in the event worthwhile, Dr English said.

Credibility

For a medium-technology company which is part of a fairly conventional building and building products group, it was necessary for Freeman Enercon to gain credibility in its own field, namely energy management systems.

Dr English said that the science park's high reputation had therefore been helpful in associating the company with higher technology work and had also persuaded people within the company that management took its prospects for growth very seriously.

Links with the university have tended to be informal, he added, though none-the-less effective, resulting in the appointment of staff from the engineering department and part-time work being carried out on a consultancy basis.

Contacts with other companies on the site have also been useful, particularly in the field of micro-electronics, giving Enercon an insight into areas of work it will be concerned with in perhaps two to three years, but Dr English believes there is room for more interaction.

"Our contacts with other companies tend to be intermittent, but there are plans to build a meeting centre on the site, which should help to improve the position."

Enercon's main area of activity has been the provision of energy management systems to deal with dispersed buildings with intermittent patterns of use, such as schools. "On such sites waste is often caused not by wrong design or defective controllers, but by the demands on busy staff in day-to-day charge of the system," the company said.

The basis of the Xyntax system developed by Enercon to meet this problem is a microcomputer which uses the public telephone network to a central control point. "A Xyntax controller automatically calls up its associated computer to feed it information and receive instructions. By examining the records the user can evaluate the status of each outstation and make decisions from his office desk," Enercon said.

It is also possible to feed other information to the central computer via the telephone line and Xyntax can also be used for security monitoring, financial data transfer and time recording.

Enercon's turnover last year was around £750,000 and is expected to rise to £1m in 1983. Software is now the company's main area of development but new products are also being developed which will justify the company's location, since outside expertise will be needed for at least another five years, Dr English said.

Lorne Barling

Studies to establish the criteria of success for science parks name the main factors–location, facilities and communications

Providing the customer with what he wants

FOR ALL the brave words of their sponsors not all of Britain's science parks are likely to be a success. Some will be in the wrong place or have the wrong facilities, while others may simply find that — unlike in the U.S. — Britain is not a prolific enough generator of entrepreneurs with ideas that can quickly be turned into commercial products.

Various studies have been carried out by consultants, estate agents and property developers into the science park phenomenon and their findings strongly suggest three main factors will be at the heart of those that do work — location, facilities and links.

● Closeness to the relevant market was identified as the most important consideration by a group of Canadian high technology companies looking to invest in Britain, followed by proximity to a pool of specialist labour, according to a survey conducted by James Williams of chartered surveyors Drivers Jonas.

● Proximity to an international airport was also rated as very important because of the world-wide nature of the market served by many high technology companies, and the need for senior personnel to be able to move about easily betweeen plants in various countries. This explains the strong preference shown by many high technology developments for a location in the Thames Valley near Heathrow Airport, though where a mainly manufacturing as opposed to research establishment is planned, companies are willing to look at other areas.

Environment

● A pleasant residential and working environment also scored a very high rating, with the availability of university support and of regional grants perhaps surprisingly not being regarded as overwhelmingly important. "The more the operation is research and development orientated the more important will be direct contact with universities. Conversely selective regional financial assistance may be of little importance. On the other hand where an activity is more geared towards productive processes, then financial assistance can be important," the Drivers Jonas report notes.

● The facilities which are needed in a successful science park include, according to Peter Crompton of the Warrington-based consultancy Business Environments, a reasonably large overall site of possibly 50 acres or more. "There is a domino effect. Companies want to go where they know other companies are doing well so that they can draw on the same pool of labour," he says.

● High technology companies moving into new estates would expect to find a high environmental standard externally and a low overall building density —generally not much more than 30 per cent. The type of space they will be looking for will be flexible as to uses. Space which this year is being used for research and development will need to be capable of being converted next year possibly to offices or manufacturing.

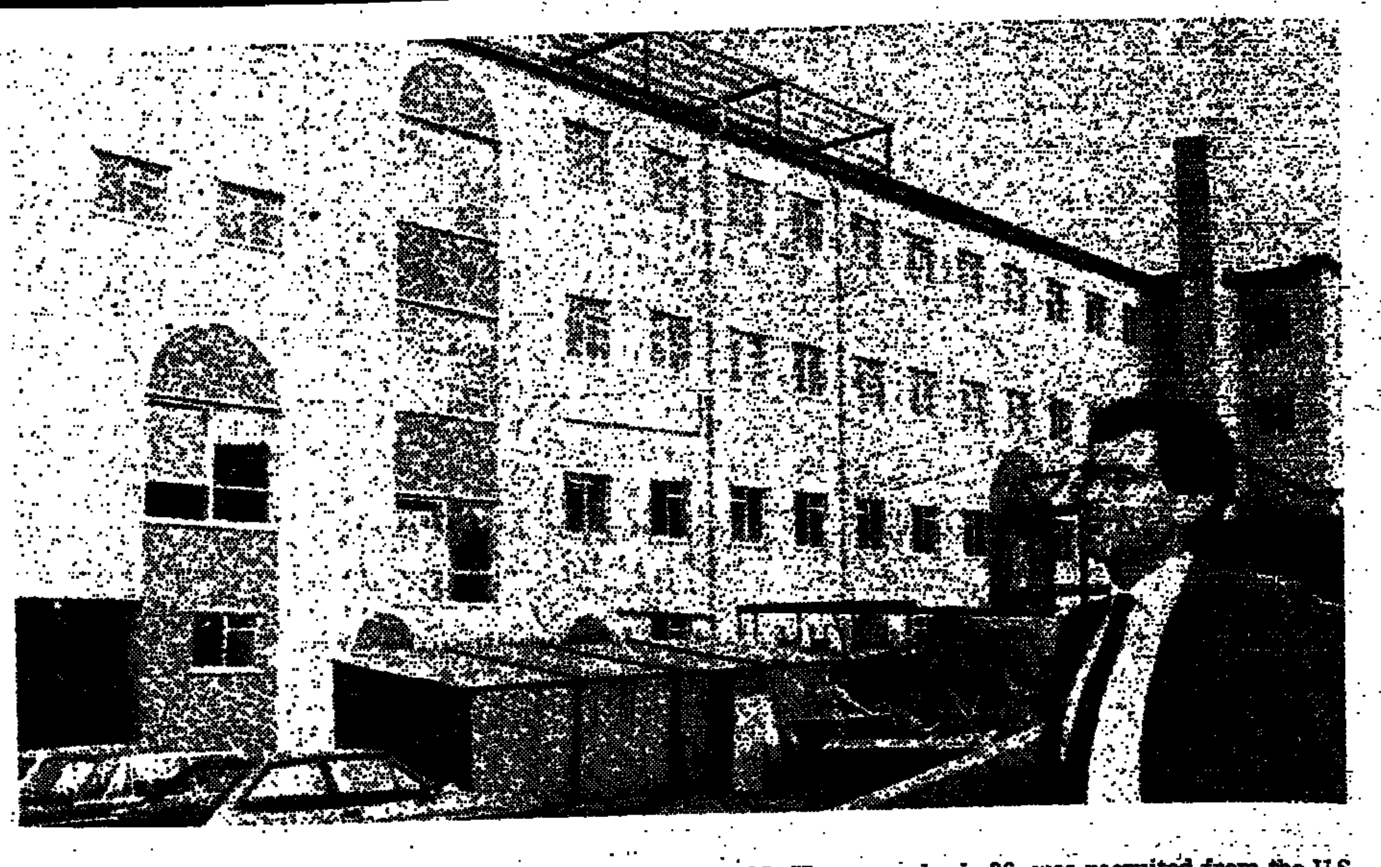
Lay-outs

● The internal environment will also have to match the high standards required externally. Impersonal factory lay-outs common to older industrial processes need to be replaced with near-office working conditions capable of attracting highly skilled employees and suited to the highly precise operations they carry out. More leisure facilities also have to be incorporated into work places to reflect the trend towards a blurring in the distinction between work and leisure, a report by chartered surveyors Herring Son & Daw points out.

"The electronic industry is creating a social revolution in which the man in blue overalls with oily rags is disappearing and the white collar worker is migrating to the work bench as a "boffin" preparing special circuitry. Changes in work organisation in this way will inevitably affect building design," notes Nick Owen of Herring, Son & Daw.

Just how many science parks are likely to be able to meet these specifications remains to be seen. One important point that emerges from the various studies, however, is that success is most likely to result from collaboration between interested parties — the landowner, the academic institution, the finance institution, industry and — equally important — the local authority, which is likely to have a crucial role to play in determining just how flexibly sites can be developed.

The ultimate test remains whether the science or high technology park provides the customer with what he wants and needs. Those that do will work, while those that do not are likely to have to struggle.



Mr Ian Herman, the recently appointed managing director of Birmingham Technology, outside its office and starter units. The company, set up jointly by Birmingham City Council, Aston University and Lloyds Bank, administers the Aston Science Park in the heart of the city. The park provides flexible accommodation for small firms and research and development laboratories in an attractive environment as well as full supporting business services, including access to venture capital. Mr Herman, who is 36, was recruited from the U.S. company Schlegel where he was chairman and managing director of its Leeds-based UK subsidiary. "We are involved in this country's second industrial revolution as we strive to create the prosperity of the future. The whole nation is going through a painful transition from the traditional metal-based businesses of the first industrial revolution to the high technology industry of the second."

Lorne Barling looks at an emergent science park—at Warwick University

High hopes aroused among West Midland industries

WARWICK UNIVERSITY'S Science Park, on which the first building (funded by Barclays Bank) is due to be completed in October, is the focus of high hopes by the West Midlands industrial community and has a wide range of support.

It is felt by many that science parks are long overdue in an area where academic excellence and industrial decline have existed side-by-side for many years, and the strongly favourable response to Warwick's scheme appears to bear this out.

The university's policy on the development of the 24-acre site, which adjoins the campus, is that it should be based on "centres of excellence" within the academic community, making it a real melting pot of ideas and practical work.

The most important of these centres is the engineering department, which is recognised as one of the UK leaders in the field of manufacturing systems, particularly computer-aided design and manufacturing (CAD-CAM).

Professor Kumar Bhattacharyya, head of manufacturing systems engineering, has already built up strong links with industry through companies such as BL, Lucas and others, thus in a sense already operating a science park concept. This has allowed graduates to implement their ideas in industry and for work at the university to be funded by the resources of companies — both regarded as vital if the UK is to keep pace with the development of manufacturing technology.

Probably the most important development for the science park so far is the interest of the leading U.S. CAD-CAM company, Computervision, in setting up a £1m building on the site, a project now under discussion. This would bring the company to the heart of a very large potential market for its systems — West Midlands manufacturing industry — which would in turn be encouraged by the Computervision-Warwick link to find the right applications for new manufacturing equipment.

Another CAD-CAM company considering taking space on the site is Tangram of Daventry, a concern bought out by its management from BOC recently, which makes a range of specialised equipment within the manufacturing systems field.

Investment

Potential investment on the site on behalf of high technology companies considering setting up there is now around £3.5m, mainly in new buildings. This includes £1m which the West Midlands County Council is considering investing in new premises to be let to companies. A high level of interest has come from consultants in manufacturing systems, while the level of inquiries from suitable companies in other areas has also been strong, according to Mr David Rowe, director of the park.

The other potential "centre of excellence" at Warwick is in bio-technology and there are plans to set up an Institute of Biotechnology on the campus, with strong interest being shown by Cetus, one of the leading U.S. companies of this type.

An example of the initiative on campus is the establishment of a company called Orbec to develop instrumentation for work in this area, which has the support of ICFC's Technology Development Corporation. The university will hold an equity stake in the new company.

Mr Rowe said there appeared to be little difficulty in finding enough companies for the science park, thanks partly to the links which already exist between academic staff and companies in suitable sectors of industry.

"We are marketing the site in a directed fashion, going straight to companies which are likely to be interested. Only occasionally do we get inquiries from companies which are totally inappropriate," he said.

It is envisaged that academic staff may become quite closely involved with companies on the site, as has happened at science parks in the U.S., and there would be no reason why they should not form consultancy arrangements with them, Mr Rowe said.

Science parks around Britain

Name of park, location and telephone number	Date of establishment	Area	Range of unit sizes	Links with outside institutions	Number of companies	Specialities	Manager/contact	Grants available
Aston Science Park, University of Aston, Birmingham Tel. 021-359 0981	1982	27 acres	300 sq ft upwards	University of Aston, Birmingham City Council	1	Chemical Engineering, Pharmacology, Tribology, Ergonomics, Microprocessors	Ian M. Herman, Birmingham Technology	Venture fund facilities
Birchwood Science Park, Warrington Tel. 0925-51144	1973	70 acres	400 sq ft-50,000 sq ft	None	32	None	Colin Corley	None
Brunel University Science Park, Uxbridge Tel. 0895-37188	Not yet established	—	750 sq ft-5,000 sq ft	—	None	High technology fields	—	None
Cambridge Science Park, Cambridge Tel. 0223-358201	1970	120 acres	1,300 sq ft-122,000 sq ft	Cambridge University + Trinity College	25	Bio-technology, Laser Technology, Micro-computers, Micro-circuits, Pharmaceuticals, Contract research instruments	Dr John Bradfield John Tweddle	Part support awards for joint work with university laboratories
Heriot-Watt Research Park, Riccarton, Edinburgh Tel. 031-225 8432	1972	27 acres with 28 acres for further expansion	500 sq ft-600 sq ft also custom building	Heriot-Watt University	7	Electronic and computer technology, Offshore engineering and biotechnology	I. G. Dalton Unilink	Scottish Development Agency assistance
Hull Innovation Centre, Hull Tel. 0482 226348	1981	2,500 sq ft in one building	26 workrooms vary from 150 sq ft-450 sq ft	Hull University/Polytechnic	16 plus 5 waiting to come in	Technological support for new and developing firms	Dr W. K. Donaldson	Inner cities grants and Manpower Services Commission schemes
Listerhills High Technology Unit, Bradford Tel. 0274-733466	Due for completion 1983	42,000 sq ft	1,040 sq ft-10,000 sq ft	University of Bradford	None	High technology, Electrical engineering	Lawrence West	Intermediate area assistance and city council aid
Lynch Wood, Peterborough Tel. 0733-68931	Due to open early 1983	116 acres	Sites in multiples of 1 acre	Cambridge University and Peterborough Development Corporation	None	R. and D., High technology production, Administration HQ	Chief Estates Surveyor Peterborough Development Corporation	None
Merseyside Innovation Centre, Liverpool Tel. 051-7080123	1981	9,500 sq ft in one building	400 sq ft-1,400 sq ft	Liverpool University Liverpool Poly. Merseyside CC	7	Bio-technology	Dr Jakubovic	Special development area and local authority assistance
Peel Park, East Kilbride Tel. 03552	Due for completion end 1983	68 acres	½-15 acre sites for custom-built facilities	East Kilbride Development Corporation	None	High technology manufacturing	East Kilbride Development Corporation	Special development area assistance
City of Salford Science Park, Salford Tel. 061-794 4711	1980	8 acres	—	University of Salford Salford College of Technology	4	All	Professor E. Walkden	Enterprise zone incentives; Inner Urban Area Act 1978 incentives
University of Warwick Science Park, Warwick Tel. 0203-24011 x 2770	Due for completion October 1983	24 acres with option for expansion	Units up to 15,000 sq ft. Plots from ½ acre for self development	University of Warwick, Coventry City Council, West Midlands CC and Warwickshire CC	None	—	Mr David Rowe	West Midland CC loan scheme, Coventry CC financial assistance scheme
Upton Science Park, Merseyside Tel. 051-638 7070 x 376	Not yet announced	50 acres	2,500 sq ft-16,000 sq ft	Liverpool University	None	Not yet announced	Mr John Thompson	Special development area grants
West of Scotland Science Park, Glasgow Tel. 041-248 2700	Due for first occupation September	170 acres and possible expansion	900 sq ft-14,000 sq ft. Larger units later	Joint venture between Glasgow and Strathclyde Universities	None	Bio-technology, Drug and vaccine development, Electronics, Laser Technology, Polymer chemistry	Dr Colin Bond	Special development area grants Special innovation fund

SCIENCE PARKS STILL AT THE PLANNING STAGE

Oxford University; Stirling University; Surrey University; Southampton University; Dundee Technology Park; Plessey, Liverpool; Lancaster University; Northampton; Berkshire; Swansea; Bristol; London Industrial Centre; St Andrews University; South Bank Technopark, London; Highfields Science Park, Nottingham.

Research: Sue Hopkins